

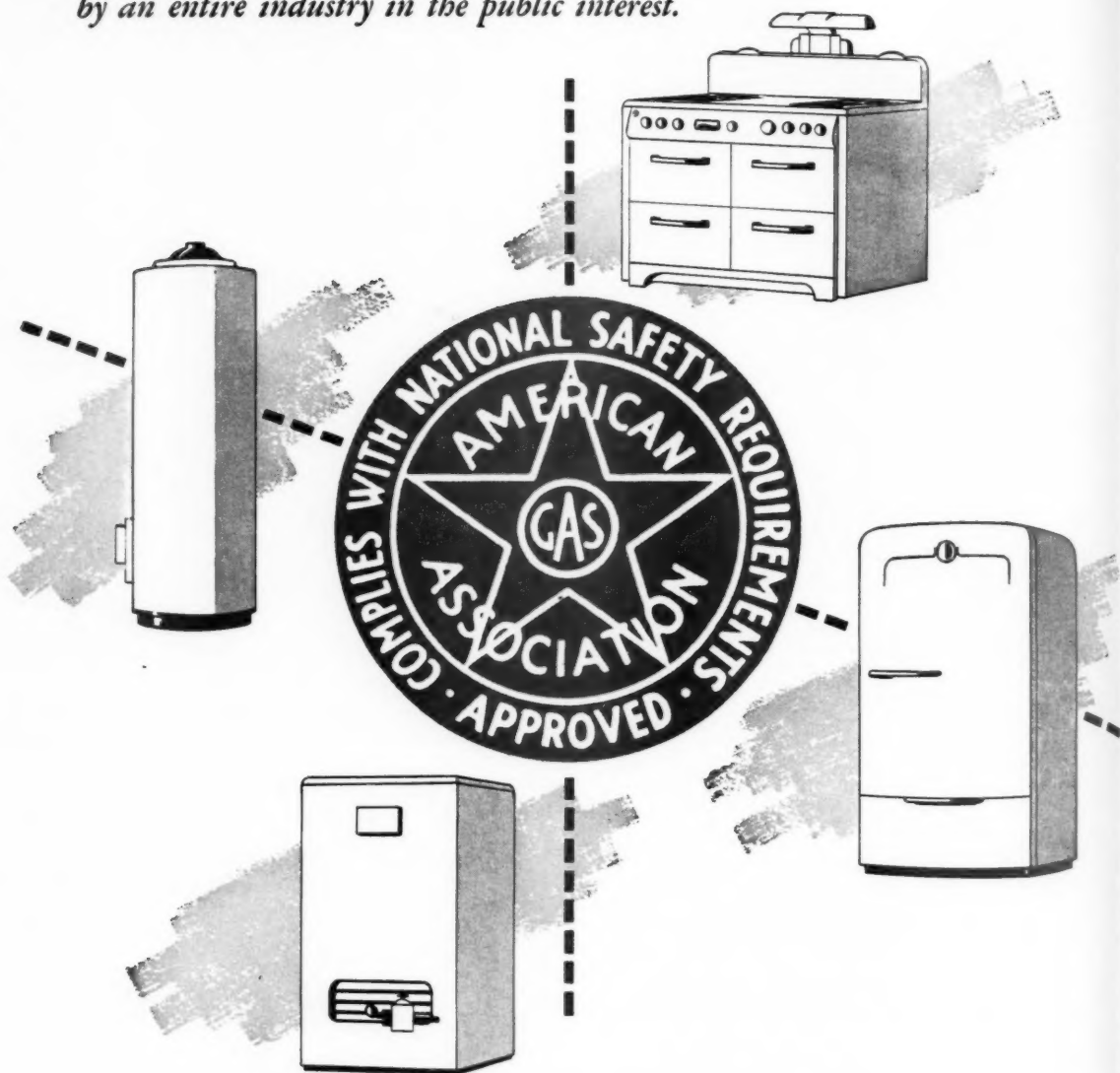
AMERICAN GAS ASSOCIATION

Monthly

NOVEMBER
1949



*An outstanding example of self-regulation
by an entire industry in the public interest.*



Common Denominator for well-earned approval!

The Approval Seal of the American Gas Association is available only to those manufacturers whose gas appliances have passed the hundreds of tests conducted regularly in the A. G. A. laboratories at Cleveland or Los Angeles.

This constant vigilance and up-grading of high minimum standards has made the A. G. A. Seal a "common denominator for well-earned approval"... and for the Inspector's prompt "O. K.!"

GAS

P A C I F I C C O A S T G A S A S S O C I A T I O N

● An impressive illustration of industrywide coordination is this Pacific Coast advertisement in 1949 annual edition of Building Standards Monthly



Set for a year of "aggressive thought and action" as A. G. A. president is Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co. Photo by Ewing Galloway

GAS men stormed the gates of Chicago last month to present an impressive picture of one of the nation's bedrock industries at work. . . . Thousands of delegates from top management took time off from their regular duties to brush up on regulation, financing, research, promotion, and other fundamental subjects. Particularly noteworthy was the presence of younger men from "down the line" and a strong delegation of student apprentices. General sessions and Sectional meetings alike were greeted with intense interest in specific operating problems and changeover to natural gas. . . . A special page of convention quotes is offered this month for the busy executive who needs a fingertip summary of major points. . . . Emil Schram's address on equity capital provides some lucid thinking in the financing field. . . . Henry Beers' analysis of pension attitudes throws a practical light on one of today's most pressing issues. . . . President Hendee offers a capsule resume of coordinated industry progress. . . . From cover to cover, this issue of the Monthly shows the gas industry is on its toes, alert to the pressure of competition and eager to play an ever-more important role in building a strong America.

JAMES M. BEALL
MANAGER, PUBLICATIONS
JAC A. CUSHMAN
EDITOR

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THE MONTHLY IS INDEXED BY THE INDUSTRIAL ARTS INDEX

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Convention

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primaries industry for '50

Imbued with a rampant pioneer spirit, the '49 Round Up in Chicago last month revealed the gas industry cast in a new role. More than 4,000 convention delegates learned that this formerly unspectacular industry, its roots deep in the fabric of the country, has emerged as one of the wonders of the modern age.

The four-day sessions, October 17-20, provided abundant evidence of gas industry progress on many fronts. Program features pictured an industry with pipelines stretching to far corners of the land, backed by a record volume of coordinated research and promotion, and with an expanding plant that serves an ever-growing public.

Almost without exception, general sessions, accounting, industrial and commercial, residential gas, home service and technical meetings attracted capacity audiences. Of special significance, was the large number of younger employees and gas industry ap-

prentices who took part in the convention proceedings.

Information, inspiration and ingenuity were reflected in the balanced diet arranged by the General Program Committee under the chairmanship of George F. Mitchell, Chicago, and supporting sectional and departmental committees. Headline attractions on the special entertainment program were the Tebala Shrine Chanters of Rockford, Ill., provided by the Geo. D. Roper Corp., and the Ladies' Party which included door prizes supplied by Servel, Inc.

Speakers at the opening general session on Tuesday morning plunged into a discussion of the industry's foremost problems. Robert W. Hendee, president, American Gas Association, and president, Colorado Interstate Gas Co., set the keynote in his presidential address when he called the convention a rallying ground for progressive forces, "proving beyond doubt that salesmanship, research and teamwork are

now branded indelibly on our industry." The Old Stove Round Up, which provided the convention theme, was a "tremendous success" President Hendee said, adding that it "is symbolic of the ingenuity, strength and resources of an industry that is united today as never before."

The PAR Plan is the source of much of our inspiration and solid achievement, the President continued, having proved "practical, far-sighted and immensely effective. Our competitive position in the appliance field has been immeasurably improved as a result of hard-hitting promotional programs and our research has unearthed 'acres of diamonds' in our own back yard."

"Today more than ever before," Mr. Hendee declared, "research bears the major responsibility for our survival and progress. Under the PAR Plan we have backed up our aggressive promotion with research that now includes 40 active projects."

The gas utility industry gained more than one million customers in the past year and stands at the peak of its service to the nation, Mr. Hendee reported. It now serves approximately 23 million customers, with an additional five million getting the benefits of the gas flame from the liquefied petroleum industry, thus placing 100 million Americans within reach of this modern service. Utility gas revenues mounted nearly ten percent to 1,620 million dollars, Mr. Hendee said.

Prior to the presidential address, Edward F. Barrett, president, Long Island Lighting Co., Mineola, N. Y., and A. G. A. treasurer, reported briefly on the finances of the Association, indicating that they were in sound condition. He noted that the A. G. A. fiscal year has been established on a calendar year basis. Amendments to the A. G. A. constitution and by-laws changing the name of the Technical Section to Operating Section and providing for additional officers were also approved at this session.

The sharp conflict of state and federal agencies in respect to their regulatory jurisdiction over public utilities was clearly defined in a vigorous address by Harry M. Miller, president, National Association of Railroad and Utilities Commissioners, and member, The Public Utilities Commission of Ohio.

Federal Power Commission is attempting to usurp state regulatory authority, Mr. Miller charged, despite the fact that the right of states to regulate purely intrastate utility business has long been accepted and is clearly set forth in the Federal Power and Natural Gas Acts.

National Association of Railroad and Utilities Commissioners, Mr. Miller said, "has consistently sought to preserve to the states the regulation of public utilities to the extent that the Federal Constitution permits. Beyond that, it has fostered and supported federal action to the end that there shall be no gap in effective regulation." Likewise, he continued, NARUC has resisted by court intervention federal assertion of jurisdiction in matters judged to be an encroachment upon state jurisdiction.

"Confused and overlapping regulation is poor regulation," Mr. Miller declared. "It is beyond the competence of any federal agency to supervise and regulate effectively the multitudinous details of public utility regulation which the full assertion of federal power, as now construed, would entail."

"The seemingly interminable controversy between federal and state regulatory agencies is a disservice to the public interest. Time which should be devoted by these agencies in



A gavel, a handshake and congratulations: Robert W. Hendee (right), retiring president of A. G. A., greets Hugh H. Cuthrell, his successor. Both officials made major contributions to the 1949 convention



Good news: Edward F. Barrett (left), reelected treasurer of American Gas Association, and D. A. Hulcy, elected vice-president, discuss report covering the status of the Association's finances



Friendly get-together: E. H. Eacker (left), president, Boston Consolidated Gas Co., chatting with H. N. Mallon, president, Dresser Industries, Inc.



Between-sessions huddle: George F. Mitchell (left), president, The Peoples Gas Light & Coke Co., chairman, General Convention Committee, and vice-president-elect, A. G. A.; W. D. Virtue (center), vice-president, Public Service Co. of Colorado, and L. R. Lefferson, Ebasco Services Inc.



Getting a good point across: (Left to right) F. X. Mettenet, vice-president, The Peoples Gas Light & Coke Co., Chicago, with Louis Ruthenburg, chairman of the board, Servel Inc., Evansville, and W. Paul Jones, president, Servel



Touching on common ground: General sessions speakers Dr. Henry T. Heald (left), president, Illinois Institute of Technology, Chicago, and Frank H. Trembly, Jr., The Philadelphia Gas Works Company

Action scene from the '49 Round Up: Part of audience attending general sessions of American Gas Association's thirty-first annual convention in Chicago



New A.G.A. officers

PRESIDENT

Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co., Brooklyn, New York

FIRST VICE-PRESIDENT

D. A. Hulcy, president, Lone Star Gas Co., Dallas, Texas

SECOND VICE-PRESIDENT

George F. Mitchell, president, The Peoples Gas Light & Coke Co., Chicago, Illinois

TREASURER

Edward F. Barrett, president, Long Island Lighting Co., Mineola, New York

DIRECTORS

Edward G. Boyer, manager, gas department, Philadelphia Electric Co., Philadelphia

H. R. Cook, Jr., vice-president, Consolidated Gas Electric Light & Power Co. of Baltimore, Baltimore, Maryland

E. H. Eacker, president, Boston Consolidated Gas Co., Boston, Massachusetts

Joseph N. Greene, president, Alabama Gas Corp., Birmingham, Alabama

Stanley H. Hobson, president, Geo. D. Roper Corp., Rockford, Illinois

R. H. Lewis, president, Ruud Manufacturing Co., Pittsburgh, Pennsylvania

Frederick A. Lydecker, vice-president in charge of gas operation, Public Service Electric & Gas Co., Newark, New Jersey

J. F. Merriam, executive vice-president, Northern Natural Gas Co., Omaha, Nebraska

Dean H. Mitchell, president, Northern Indiana Public Service Co., Hammond, Indiana

James S. Moulton, vice-president and executive engineer, Pacific Gas & Electric Co., San Francisco, California

J. French Robinson, president, The East Ohio Gas Co., Cleveland, Ohio

Paul R. Taylor, vice-president, Consolidated Electric & Gas Co., New York, New York

Thomas Weir, general manager, Union Gas Co. of Canada, Ltd., Chatham, Ontario

Harry K. Wrench, president and general manager, Minneapolis Gas Co., Minneapolis

Charles G. Young, vice-president, Springfield Gas Light Co., Springfield, Massachusetts

C. H. Zachry, president, Southern Union Gas Co., Dallas, Texas

ACCOUNTING SECTION

Chairman—John H. W. Roper, Washington Gas Light Co., Washington, D. C.

Vice-Chairman—Alan A. Cullman, Columbia Engineering Corp., New York

INDUSTRIAL AND COMMERCIAL GAS SECTION

Chairman—D. W. Reeves, Oklahoma Natural Gas Co., Tulsa, Okla.

Vice-Chairman—Carl H. Lekberg, Northern Indiana Public Service Co., Hammond, Indiana

MANUFACTURERS' SECTION

Chairman—Carl A. Schlegel, vice-president, United Engineers & Constructors Inc., Philadelphia, Pennsylvania

RESIDENTIAL GAS SECTION

Chairman—H. Preston Morehouse, Public Service Electric & Gas Co., Newark, New Jersey

Vice-Chairman—C. H. Horne, vice-president, Alabama Gas Corp., Birmingham, Alabama

OPERATING SECTION

Chairman—Ernest G. Campbell, The Peoples Gas Light & Coke Co., Chicago, Illinois

Vice-Chairman—R. Van Vliet, New York and Richmond Gas Co., Stapleton, Staten Island, New York

LABORATORIES MANAGING COMMITTEE

Chairman—Arthur F. Bridge, president and general manager, Southern Counties Gas Co., Los Angeles, California

Vice-Chairman—Charles E. Bennett, president, The Manufacturers Light & Heat Co., Pittsburgh

PUBLICITY AND ADVERTISING COMMITTEE

Chairman—R. G. Barnett, vice-president and general manager, Portland Gas & Coke Co., Portland, Oregon

Vice-Chairman—C. J. Allen, vice-president, The Connecticut Light & Power Co., Waterbury, Connecticut

the discharge of duties which each in its own sphere can most effectively handle is being needlessly employed in jurisdictional controversy.

"The time is long past due when further Congressional action should be taken to spell out in language of greater clarity, the proposition that the jurisdiction of the Federal Power Commission and of any other federal body shall not extend to any matter which is subject to regulation by the states. The intent of Congress," Mr. Miller concluded, "and not 'the philosophy and views of those entrusted with the administration' of its acts must govern—else we shall have more, not less, of government by men and not by law."

Aims and achievements of Gas Appliance Manufacturers Association were outlined in the closing address of the first general session by Frank J. Nugent, outgoing GAMA president. Membership of this association now includes 550 manufacturers who supply 3,000 wholesalers, 60,000 dealers, 1,000 utilities and 20,000 industries, Mr. Nugent estimated.

GAMA is alive to the necessity for a big sales revival, he stated, and is organized to act as the manufacturers' clearing house for industry sales programs. As a typical example of GAMA's contribution to gas industry sales, Mr. Nugent called attention to the gas water heater program to promote better sizing, higher quality and more sales volume in 1950.

During the executive session attended by A. G. A. company member delegates, the General Nominating Committee which recommends officers for the next term was elected as follows: R. H. Hargrove, Shreveport, chairman; C. P. Crane, Baltimore; N. Henry Gellert, Seattle; Alexander Macomber, Boston; F. T. Parks, Denver; Louis Ruthenburg, Evansville.

Safety is your business and its good business, Dr. Ned H. Dearborn, president, National Safety Council, Chicago, told the convention delegates at the Wednesday morning general session. The gas industry's rate of accident frequency last year was nearly 20 as compared with an average for all industry of between 12 and 13, he said. This record, Dr. Dearborn indicated, is not as good as the record set by automobile, steel, and many other big businesses.

Prevention of accidents should be a part of our production program, Dr. Dearborn declared, adding that any good program will bring down accidents by as much as 50 percent in



Manufactured or natural, it's all one industry: Clifford E. Paige (left), president, The Brooklyn Union Gas Co., greeting Christy Payne, Jr., vice-president, The Peoples Natural Gas Co.

one year. He called for the hiring of capable safety directors and continuous top management attention to the importance of accident prevention. The speaker cited an American Medical Association report showing that accidents rank first as a cause of work years lost and second regarding life years.

A new movement which merits everyone's attention, according to Dr. Dearborn, is one devoted to off-the-job safety. While plant accident prevention programs have reached maturity, the public generally has paid little attention to organized safety efforts. During the war years, 262,000 Americans were killed in service, he asserted, but accidents struck down 80,000 more than this number. Serious economic and social consequences demand an end to this immoral national attitude toward accidents, Dr. Dearborn warned.

Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co., chairman of the PAR General Promotional Planning Committee, and president-elect of A. G. A., delivered a hard-hitting, statesmanlike review of the gas industry's sales plans and strategy for 1950. Above all, he stressed advance planning and coordination of effort. "There will never be a successful sales year in any utility without a full year's program that is ready to go in January," he said.

As a background for sales, Mr. Cuthrell pointed to the present-day expansion of the gas industry which gives it "a tremendous dramatic advantage in public relations." Now that the industry is in a different league investment-wise, he noted, "if we plan well, we can benefit greatly from this fiscal change-over."

In conclusion, Mr. Cuthrell said: "As we weigh the opportunities against the difficulties of the next few years, I believe you will agree with me that through intelligent and aggressive thought and action we can realize the greatest expansion in our history. . . . But we must fight for it every inch of the way." (Mr. Cuthrell's paper is reprinted in this issue of the MONTHLY.)

While declining to predict the results of the pension controversy which is rocking the nation's economy, Henry S. Beers, vice-president, Aetna Life Insurance Co., Hartford, Conn., gave the industry sound advice on a healthy 1949 pension attitude. "A modest pension plan," he declared, "fully explained to employees, is worth far more in im-



Meeting of East and West: (Left to right) Charles G. Young, elected an A. G. A. director; Jesse L. Johnson, vice-president, Providence Gas Co.; N. Henry Gellert, president, Seattle Gas Co.



A good idea: A. H. Stack (left), president, Tampa Gas Co.; Frank H. Smith, chairman-elect, General Promotional Planning Committee, conferring with L. L. Baxter, president, Southern Gas Association



What use duplicate regulation? Harry M. Miller, president, National Association of Railroad and Utilities Commissioners, addressing the convention



There's an advertisement with real pulling power: Gas men from Long Island and a Detroit manufacturer's representative get a close look at some of the national advertising messages which American Gas Association has broadcast during the past year under the industry's expanded PAR program



Certainly, we're supporting the Old Stove Round Up: (Left to right) W. H. Ligon, president, Nashville Gas & Heating Co.; D. W. Reeves, chairman-elect, Industrial & Commercial Gas Section; F. D. Bradley, Southern Union Gas Co., Dallas, Texas



Exchange of ideas: H. E. Meade (left), vice-president, New Orleans Public Service Inc.; L. B. Bonnett, vice-president, Consolidated Edison Co. of New York, Inc.; Frank J. Nugent, GAMA president

Entertainment opener: Convention delegates and guests passing through the receiving line at the gala President's Reception



proved morale and efficiency than much larger pensions awarded on retirement as a matter of grace without advance announcement."

A realistic attitude toward retirement, Mr. Beers continued, "calls for a reasonable pension plan, not so niggardly as to make employees fight retirement by every hook or crook, nor so liberal as to encourage employees to retire while they still have years of efficient service left in them; but most importantly, a retirement plan announced to the employees so that they may know what they can look forward to, and plan accordingly." (Mr. Beers' paper is reprinted in this issue of the MONTHLY.)

A colorful and important event at the Wednesday general session was the presentation of awards to individuals and companies who made distinguished contributions to the gas industry during the year. A special article reporting these awards appears elsewhere in this issue of the MONTHLY.

At the close of the meeting, the film, "Gas for Home and Industry," produced by Encyclopaedia Britannica and financed by the Association, was presented in a premier showing. Produced as the first in a series devoted to key industries in the basic American economic structure, it is a 14-minute, 16 mm black-and-white sound film depicting the transition from the use of gas for lighting to modern industrial and residential applications. The film also explains manufactured gas processes, the formation of natural gas, and drilling, pipe line and distribution practices.

The final general session on Thursday morning opened with a slashing attack on the apathy of the gas industry toward possible loss of the commercial cooking load. Frank H. Trembly, Jr., sales manager, The Philadelphia Gas Works Co., minced no words in pointing out that the industry has been blind to the gradual encroachments of competition. "Never before has an existing gas load been subject to so concentrated and aggressive an attack, nor has our industry ever been less conscious of the situation," he said.

The counter cooking load is particularly vulnerable, Mr. Trembly reported, adding that the largest electric counter cooking equipment manufacturer was selling at the rate of 41,100 units per year, almost nine times as great a volume as during the immediate prewar three-year period. A study of 3,000 restaurants and hotels indicated that 54 percent used gas fryers and 34 percent used electric fryers. "We need more than a packet of pills to correct this situation," Mr. Trembly declared.

Among reasons given by the speaker for loss of counter cooking load were lack of available gas appliances such as the sandwich grille, waffle iron and pop-up toaster; failure to improve gas counter appliances; and absence of a full line of gas counter appliances of similar design. Electric air conditioning, he said, also has struck a heavy blow against the industry due to the exaggerated claim of greater heat release from gas appliances.

Unless aggressive action is taken now, the counter cooking problem may be a forerunner of what we may expect in the heavy duty cooking field, Mr. Trembly warned. Installation of a large number of all-electric commercial kitchens has become the basis of many unfounded competitive promotional claims, he charged.

To counteract false reports, Mr. Trembly stated, A. G. A. has completed two of the most extensive comparative tests ever made between gas and electric (Continued on page 61)



Convention quotes

HARRY M. MILLER, PRESIDENT, NARUC: Confused and overlapping regulation is poor regulation. It is beyond the competence of any federal agency to supervise and regulate effectively the multitudinous details of public utility regulation which the full assertion of federal power (as now construed) would entail. . . .

DR. HENRY T. HEALD, PRESIDENT, ILLINOIS INSTITUTE OF TECHNOLOGY: Maintenance of a strong, competitive, progressive American economy requires that industry constantly contribute to the solution of its own problems and not leave the task to government. . . .

EDWARD J. TUCKER, THE CONSUMERS' GAS CO. OF TORONTO: The prime operating problem common to the gas industries on both sides of the Atlantic is the meeting of peak loads. . . .

EMIL SCHRAM, PRESIDENT, NEW YORK STOCK EXCHANGE: It is easy to be an optimist on the gas industry of these United States. The technological advances and organizing abilities responsible for the industry's progress, plus successful financing involving vast sums of money, exemplify the type of cooperation that is characteristic of the American economy. It is cooperation by voluntary action rather than cooperation imposed from above. . . .

FRANK H. TREMBLY, JR., THE PHILADELPHIA GAS WORKS CO.: (On the commercial cooking load) Never before has an existing gas load been subjected to so concentrated and aggressive an attack, nor has our industry ever been less conscious of the situation. . . .

HUGH H. CUTHRELL, A. G. A. PRESIDENT-ELECT: . . . Through intelligent and aggressive thought and action we can realize the greatest expansion in our history. Make no mistake about it—we are not going to win this expansion by the default of our competitors. We must fight for it every inch of the way! But it will be the most stimulating fight in our careers.

HENRY S. BEERS, VICE-PRESIDENT, AETNA LIFE INSURANCE CO.: . . . Our 1949 attitude toward retirement calls for a reasonable pension plan, not so niggardly as to make employees fight retirement by every hook or crook, nor so liberal as to encourage employees to retire while they still have years of efficient service left in them; but most importantly, a retirement plan announced to the employees so that they may know what they can look forward to, and plan accordingly. . . .

ROBERT W. HENDEE, RETIRING A. G. A. PRESIDENT: As for the American Gas Association, I can foresee many years of success and improvement ahead when I consider the caliber of men who support and guide its destiny. The strength of the Association is in its more than 6,000 members and its officers who contribute their time, energy and talent for the good of the industry. . . .

DR. NED H. DEARBORN, PRESIDENT, NATIONAL SAFETY COUNCIL: . . . With nearly 100,000 accidental deaths a year, with accidents robbing America of more working years than any disease, with accidents claiming more children than most of the childhood diseases—including polio—combined, how in the name of a civilized nation can we afford to let George do it any longer?

ERNEST R. ACKER, A. G. A. PAST-PRESIDENT: . . . From my standpoint as an executive, we have in the PAR Plan an unparalleled example of industry cooperation through which we may confidently expect to safeguard the future of our business. In your own interest and for the benefit of the gas industry as a whole, I urge your active and enthusiastic support of the work of the PAR Committee.

HALL M. HENRY, NEGEA SERVICE CORP.: . . . Do you know of any industry that can increase its plant and distribution capacity some 80 percent or more, through adding less than ten percent to its total investment and at the same time reduce its production cost 20-30 percent? This is what our manufactured gas companies can do through the installation of the Hall high Btu oil gas process and distributing a high Btu gas!

DR. H. A. LINDBERG, THE PEOPLES GAS LIGHT & COKE CO.: It is important for both supervisors and safety directors alike to realize that only 15 percent of accidents are due to mechanical and environmental factors and that 85 percent or more are due to emotional factors. One out of four employees has emotional problems sufficient to be detrimental to safe and efficient work. . . .

D. A. HULCY, CHAIRMAN, A. G. A. NATURAL GAS DEPARTMENT: The natural gas industry . . . stands on the threshold of its greatest opportunity for public service. Competitive fuels have risen in cost so as to place house heating with natural gas in a runaway market. Great skill and care will be required to guide the destinies of (Continued on page 61)

James A. Brown, president, Michigan Gas Storage Co., (left), receiving A.G.A. Distinguished Service Award from President Hendee



The American gas industry interrupted its scrutiny of progress and planning at the American Gas Association convention last month to pay high tribute to unusual accomplishment in seven different fields of endeavor. Gas company officials, employees and company departments, shared in the honors.

James A. Brown, president, Michigan Gas Storage Co., Jackson, Mich., received the highest honor bestowed by the Association when he was presented the A.G.A. Distinguished Service Award for having made the outstanding contribution of any individual toward the advancement of the gas industry.

Mr. Brown was cited in recognition of outstanding engineering achievements in such varied operations as the production and sale of the by-products

(At left) Edward G. Boyer, Philadelphia Electric Co., accepting Beal Medal. He won a similar award in 1947



(At right) Frank C. Smith, president, Houston Natural Gas Corp., accepting A. G. A. Progress Award for Gas Summer Air Conditioning won by his company



honors top A.G.A. award winners

of manufactured gas; the design of distribution systems in the interests of adequacy and economy; improvements in the metering of large volumes of gas; increasing effectiveness and capacity of water heaters; developments in the underground storage of gas; and others, all of which have enabled the gas industry to serve more customers with greater efficiency.

A. M. Beebe, president, Rochester Gas & Electric Corp., Rochester, N. Y., was chairman of the award committee. Other members were J. S. Moulton, San Francisco, and A. H. Weyland, Shreveport.

President and director of Michigan Gas Storage Company since 1946, Mr. Brown has long been active in American Gas Association affairs. He has served

as a director of many years and is a member of the Association's important Finance and Control Committee of which he was chairman from 1942 to 1947. He is past-president of Michigan Gas Association.

Edward G. Boyer, manager, gas department, Philadelphia Electric Co., Philadelphia, Pa., for the second time was singularly honored when he was awarded the Beal Medal for contributing the best paper presented at an Association meeting during the past year. His paper, "Meeting the Peak Load Problem," was presented at the thirtieth annual convention in Atlantic City on October 4, 1948. Mr. Boyer previously won the Beal Medal in 1947.

The award was presented on behalf of the donor, Ernest R. Acker, presi-

dent, Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y., representing the family of the late W. R. Beal, who established the award in 1897. It consists of a bronze medal and a substantial cash payment. H. H. Cuthrell, Brooklyn, was chairman of the award committee. Other members were D. A. Hulcy, Dallas, and W. R. Fraser, Detroit.

The paper which won this national recognition for Mr. Boyer comprised an exceptionally comprehensive study and analysis of methods developed by the gas industry to solve the important peak load problems prevalent after the war.

In addition to his two Beal Medal Awards, Mr. Boyer holds the Walton Clark Medal of The Franklin Institute of the State of Pennsylvania for notable improvements in the development of



Outstanding in home service: Four winners of A. G. A. Home Service Achievement Awards—Mrs. F. Jean Torrance (second from left), The Peoples Natural Gas Co.; Eleanor A. Marvin, The Manufacturers Light and

Heat Co.; Mrs. Arvilla H. Patison, Lone Star Gas Co., and Mrs. Eleanor V. Wiese, Public Service Electric & Gas Co. Flanking winners are Camille David and Mrs. Elizabeth Sweeney Herbert, McCall's, awards sponsor



Dwight M. Baker, Oklahoma Natural Gas Co., Tulsa, was named first-prize winner of A. G. A. Gas Heating Progress Award sponsored by Coroaire



E. E. Boegli, South Carolina Power Co., received second prize in gas heating progress contest



Garland Galloway, Cumberland County Gas Co., took third prize for gas heating progress entry

processes for reforming hydro-carbon gases and other contributions to gas art.

For many years Mr. Boyer has been active in American Gas Association affairs. He is a member of the Executive Board of the Association, a member of the Managing Committee of the Manufactured Gas Department, and the Research Planning Board of the Association. He is serving on several important committees connected with the Association's accelerated research program.

The A.G.A. Meritorious Service Medal was awarded posthumously this year to Terrence Charles Casey, an employee of Rochester Gas & Electric Corp., Rochester, N. Y., for his heroic action in rescuing two fellow workers. Fred J. Pfluke, superintendent of gas manufacturing, accepted the award on behalf of the company.

Three gas utility men were announced as winners of the third annual A.G.A. Gas Heating Progress Award, sponsored by The Coroaire Heater Corp., for individual achievement in the field of creating, maintaining and increasing consumer demand for gas house heating.

Dwight M. Baker, utilization engineer, Oklahoma Natural Gas Co., Tulsa, was awarded first prize of \$500 for the development of an educational study course with lecture materials and visual aids for company employees, dealers and servicemen in the gas heating field. The course consists of six lessons: combustion; venting; pipe sizing and appliance regulation; controls; determination of heat loss and correct sizing of gas heating equipment; and types of heating equipment and their application.

Second prize of \$250 went to E. E. Boegli, industrial gas engineer, South Carolina Power Co., Charleston, S. C., for an educational program stressing better gas utilization through correct installation and adequate piping. Company service men, master plumbers and dealers are being indoctrinated and trained in a continuing gas heating school. Caricatures of "Speedie" and "Quickie Btu" bringing monthly messages to installation men in company's publication are part of the program.

Third prize of \$150 was awarded to Garland Galloway, commercial manager, Cumberland County Gas Co., Vineland, N. J., for a promotional campaign featuring the actual operation of gas heating appliances in an all-gas model home.

The first prize winner, Mr. Baker, is widely known among heating engineers

for his work with American Gas Association and Southern Gas Association. He is currently serving on A.G.A. Subcommittee of Listing Requirements for Semi-Rigid Gas Appliance Tubing and Fittings, and as a member of A.G.A. Committee on Gas Appliance Installation and Service Manuals.

Mr. Baker is author of a model ordinance governing the installation of gas piping and gas appliances, and co-author of a handbook entitled "Installing and Servicing Gas Appliances." He was instrumental in the inauguration of an annual "gas short course" presented in cooperation with the petroleum engineering department of Tulsa University, now in its fourth year.

Outstanding individual accomplishments in the gas utility home service field were recognized when four winners of the nationwide A.G.A. Home Service Achievement Award sponsored by McCall's Magazine were announced.

These high national honors were awarded to Mrs. Eleanor V. Wiese, home service director, Public Service Electric & Gas Co., Newark, N. J.; Mrs. F. Jean Torrance, home service director, The Peoples Natural Gas Co., Johnstown, Pa.; Mrs. Arvilla H. Patison, home service director, Lone Star Gas Co., Forth Worth, Texas; and Miss Eleanor A. Marvin, home service director, The Manufacturers Light & Heat Co., Steubenville, Ohio.

Each of the winners received \$200 and a bronze plaque. In this ninth annual contest, which is open only to gas utility home service personnel, awards were made in two divisions to individuals who made effective contributions during the year to the advancement of modern homemaking by promoting the use of gas and modern gas equipment.

In the division which includes heads of home service departments of three or more individuals, Mrs. Wiese was cited for a cookery course for men only initiated for male members of Public Service Company. More than 890 male scholars graduated with honors from the course which pointed up the part the home service department played in cooperation within the company to employee groups.

Three awards of \$200 each and bronze plaques were given to individual members of home service departments. Mrs. Torrance was presented with one of the A.G.A. awards for her unusual and successful school assembly series of programs which (Continued on page 46)

'49 Round Up on parade

By ROBERT W. HENDEE

President, American Gas Association and Colorado Interstate Gas Co.

It's Round Up time in the gas industry.

From Brooklyn to Hollywood; from staid Beacon Hill, Boston, to the wide open prairies of the west; from Maine to Mexico; the Old Stove Round Up is sweeping the nation, rekindling the aggressive spirit of an alert gas industry. Yesterday's bonfire of the open country has been replaced by the bright, controlled fire of thousands of gas flames in modern gas ranges.

The tremendous success of this coordinated gas sales drive is symbolic of the ingenuity, strength and resources of an industry united today as never before. It is a significant and heartening indication of the impact created by coordinated

effort and intelligent planning.

It is entirely appropriate to call this convention the '49 Round Up—it is indeed a round up of men, ideas and information on an impressive scale. It is a rallying ground for progressive forces that are insuring the industry's future. Beyond doubt, salesmanship, research and teamwork are now branded indelibly on our industry.

As a jumping off point for this Round Up I can do no better than point to the source of our inspiration and solid achievement. The PAR Plan, since its inception just five years ago, has proved practical, far-sighted and immensely effective. It has paced the industry in promotion, advertising and research. Our competitive position in the appliance field has been immeasurably improved as a result of hard hitting promotional programs backed by every element in the gas business. Our research program has proved beyond a doubt that we have "acres of diamonds" in our own backyard.

Both the merchandising world and

Presented October 18, 1949 at opening general session during A. G. A. convention in Chicago.

"Salesmanship, research and teamwork are now branded indelibly on our industry"—Robert W. Hendee, addressing convention general sessions



the public are keenly aware of gas industry promotions supported by PAR. In this issue, Mr. Cuthrell gives a firsthand account of promotional aspects of the PAR Plan, so I will not comment on them except to urge continued support of those essential activities.

This is an era of rapid technological and economic change. Today, more than ever before research bears the major responsibility for our survival and progress. Under the PAR Plan we have backed up our aggressive promotional campaign with a research program which now includes 40 active projects. These cover nearly every important phase of gas production, natural gas and domestic, industrial and commercial gas utilization. A. G. A. research committees are staffed by outstanding technicians and executives from 100⁺ gas utility companies. More than 200 of these experts are contributing their time and energy to this program which is under way at the Institute of Gas Technology, A. G. A. Laboratories and ten other well-qualified scientific and educational institutions.

A steady flow of research accomplishments has injected new energy into the life stream of the gas industry and has opened new vistas of progress. After four years of practical results, PAR's gas production and general technical research studies are bringing immediate dollar returns valued at more than double the money invested.

Scores of published reports have presented the results of this comprehensive research program. A few highlights should suffice to indicate its practical accomplishments. Two new processes in the peak load field, the catalytic reforming of hydrocarbons and the Hall high

Btu oil gas process, already are helping the industry to meet record demands for gas service. Five catalytic reforming plants are now in operation where only a few short years ago none existed or was even planned. The utilization of low cost oils resulting in gas production economies has been made possible by the development of the Hall process which is of equal interest to both manufactured gas and natural gas companies. In addition, the four mixed gas research reports produced to date under the PAR research program are proving invaluable to the industry in its solution of the problem of interchangeability of various kinds of gases.

Implementing the phenomenal growth of natural gas is a broad A. G. A. research program. Several of the projects included in this field are studying factors affecting the flow of gas in pipe lines, including hydrate formation, measurement of water vapor content, and nitrogen removal. It has been found that nitrogen removal, by refining the inert content, in some cases may increase compressor station and pipeline capacity as much as 20 to 30 percent.

Domestic, industrial and commercial research under the PAR program is developing basic data which are materially helping to lift gas utilization to higher levels. The most important general utilization problems involve combustion, ignition, heat utilization, venting and control—all of which apply in varying degrees to every gas appliance made and installed. New concepts of supplying heat to commercial cooking and industrial processes are being developed. In short, just as PAR's coordinated promotional programs are tapping new and

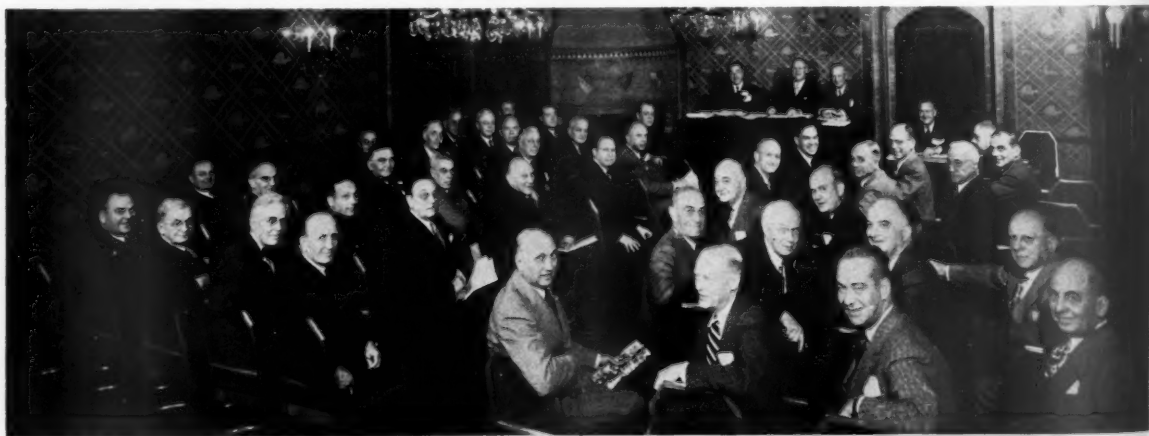
greater markets for gas, this far-sighted research program is making it possible for the industry to serve this market efficiently and economically.

In the operation of the promotion, advertising and research program, the PAR Committee has done an outstanding job. If you could see this group of hard-working executives preparing budgets, passing on plans and analyzing results, you too would have full confidence that PAR is an eminently successful business venture. I commend to you the entire PAR program and urge you to continue to support it wholeheartedly.

Sparked by PAR and other A. G. A. activities, the gas industry continued during the year the unbroken record of advancement which has characterized its history. I am pleased to report more sales, more customers, more pipelines, more reserves, more revenues, more campaigns, and more proof that Gas Has Got It than ever before. Powerful forces are at work to make gas the most sought-for fuel in the country.

By all standards, the gas industry stands at an all-time high in its service to the nation. The gas utility industry serves approximately 23 million customers, with an additional five million customers getting the benefits of the gas flame from our ally, the liquefied petroleum gas industry. This represents an increase of more than one million utility gas customers since this time last year and places approximately 100 million Americans within the reach of modern gas service. Today, natural gas alone supplies nearly 15 percent of all the energy in the country.

Utility gas (Continued on page 56)



A. G. A. Executive Board meeting in Chicago on October 17 to consider Association problems and acquaint newly elected members with Board

procedure. On the platform are: H. Carl Wolf, A. G. A. managing director, Robert W. Hendee, president, and Hugh H. Cuthrell, president-elect

Equity for equity capital



Financial trio: Emil Schram (center), president, New York Stock Exchange and A. G. A. convention speaker, with the co-chairman of A.G.A.-EEI utility financing study—H. H. Scaff (left), vice-president, Ebasco Services Inc., and E. W. Morehouse, vice-president, General Public Utilities Corporation

By EMIL SCHRAM

President, New York
Stock Exchange
New York, N. Y.

Recent developments in the gas industry—the job you have done and are doing—are so striking that you may be interested at least in going over a few facts to see what appears most significant to an outsider.

From the heart of Texas and other natural gas fields, great pipelines are radiating north, west and east to supply metropolitan centers such as Chicago. Areas most remote from the sources of supply, like New York and the New England States, are expected soon to add to the huge markets that have developed.

For a time it seemed that whenever one scanned the financial pages to observe the new issues, it was a pipeline security that was being offered. Nor is the manufactured gas business standing still. One must be impressed with the steady growth in the revenues of manufactured gas companies from such by-products as coke and tar, and the time is approaching when the gas industry will be recognized essentially as a chem-

ical industry. Your business is unique in that an old industry is one of those most rapidly expanding in point of physical quantities and funds invested.

Yours is one of the country's fastest growing industries. Construction expenditures this year will be in the neighborhood of \$1 billion, making the total in the three years of 1947-49, inclusive, a round \$2,500,000,000, and for the three years 1949-52, inclusive, according to the excellent study of American Gas Association, the sums of capital needed will be even greater, approximately \$2,800,000,000. Incidentally, your year book, "Gas Facts," is one of the most complete surveys of any industry which I have had the pleasure of examining.

It is easy to be an optimist on the gas industry of these United States. The technological advances and organizing abilities responsible for the industry's progress, plus successful financing involving vast sums of money, exemplify the type of cooperation that is characteristic of the American economy. It is cooperation by voluntary action of several factors working together rather than cooperation imposed from above.

The border between regulation and direction is sometimes a thin one. No one would seriously contend that the gas industry is under-regulated. As yet, and as long as the leaders of the industry are able to resist any proposal which

would transform regulation into direction, I have no fear of the gas industry's future.

I want to linger on the cooperative phase of the operations of your industry, in which respect it is not exceptional, but typical. Corporations that do a good job are, in effect, cooperatives in every sense of the word, and they also pay taxes. Public service corporations, especially, cannot function in the pitiless light of publicity indefinitely except as they meet the demands of the community for essential services at low cost—for good wages and opportunities for development on the part of labor, for elbow room and recognition for management, and for a reasonable return to the investor. In connection with costs to the consumer, you have again epitomized the reason for our country's economic strength.

Taking all items in the consumers' price index of the Department of Labor, Bureau of Labor Statistics, in 1935-39 at 100, the index is now around 169; for food, roughly 202; for wearing apparel 189; for gas and electricity less than it was in the prewar base period.

I had occasion recently to speak before the Conference on Distribution in Boston. I repeat what I said there about the new American frontier, because it is so perfectly applicable to the gas industry:

"The order of events is larger invest-

Presented on October 20, 1949 before general session at A. G. A. convention in Chicago.

"Safety is your business" delegates told



Everyone in the gas industry has a personal responsibility to help lick the accident prevention problem, Dr. Ned H. Dearborn (right), president, National Safety Council, declared in general sessions address. With Dr. Dearborn is W. F. Brown, chairman, A. G. A. Accident Prevention Committee

ment, lower costs, larger output and, finally, lower selling prices and enlarged consumption."

That economic society will prevail in the long run which meets these specifications best. I am less interested in the name we give it than how it functions.

One of the depressing aspects of the British situation is the eagerness of the Conservatives, or at least one group of them, to claim for themselves the establishment of the so-called welfare state. It may be of some interest to you to remove our attention overseas and see what has happened to the gas industry in Britain during the period of great achievement in the American industry. Back in June, 1944, and before the Labor Government came into power, a committee of enquiry was appointed to review the structure and organization of the gas industry.

It was also to advise what changes had become necessary in order to develop and cheapen gas supplies to consumers and to make recommendations.

The report was presented to Parliament by the Minister of Fuel and Power in December, 1945.

The report makes very interesting reading. About two-thirds of the gas supplied was in the hands of companies and one-third in municipal hands. The committee quotes with approval an earlier report recommending, of all things, integration through holding company control. I am merely quoting a report of

His Majesty's Ministry of Fuel and Power. The reason given was that:

"A parent company, having control over a number of companies, including, if possible, at least one well-established statutory gas undertaking to act as a nucleus to the organization, seems to us obviously better able to raise capital on advantageous terms than a purely local undertaking whose shares offer no particular attraction on the money market outside its own locality."

Elsewhere, the report mentions the fact that Parliament had imposed on companies "a number of controls which . . . have had the effect of inhibiting development."

What happened? As a result of the report and the Labor Government's program, the industry was nationalized. The investors, to be sure, were paid in bonds, which have since depreciated sharply and, in many instances, the basis of establishing the value was challenged because security prices reflected the uncertainties of the situation. In fact, the bonds received in exchange for railroad and electric securities have also fallen in price. One of the reasons was that, since investors obtained a much smaller return than they formerly received, they sold their government securities. I cite this experience for two reasons:

(1) It shows the inevitable tendency, unless checked by public opinion, toward over-centralization. Having hampered the industry in the first instance, the

remedy recommended was complete elimination of private ownership.

(2) The welfare state leads to roads far from the plans made on national blueprints.

I daresay that it was intended to deal with investors fairly, but the government did not admit the injury of a steep cut in income and emphasized the maintenance of capital values. But capital values melted away as the flood of new government issues succeeded one another and investors liquidated in an attempt to improve their income. The damage done cannot be undone. The eggs cannot be unscrambled.

I, for one, believe that Clement Attlee and Sir Stafford Cripps are sincere men with good intentions. The false logic of their premises simply has the most illogical consequences. An industry is behind in equipment, is clogged with agreements that stifle competition, a labor union philosophy which is more restrictive, and a tax system which admittedly deadens initiative—and the recommendation is further nationalization! After admitting that a new environment was necessary to promote investment, the Labor Government came up with an increase in taxes on business earnings. The engine of state does not seem to be able to reverse itself.

Your industry seems to be free for the time being of the threats of general municipal or public ownership. Several municipalities which own their transit facilities are none too happy. The public has learned that acquisition of public services by cities or public agencies does not work miracles in improved service or end the truth of simple arithmetic in respect of operating costs and receipts.

We are not free from the dangers illustrated by British developments. The trend toward socialization has to be met head on to be resisted successfully. Otherwise it is quickly found that, having taken the first step, the second, the third and so on down the line are inevitable. There is more than one road to lack of well-being in the welfare state.

Having served as a member of the board or as chairman of the Reconstruction Finance Corporation for a period of eight years, I have a certain affection for the institution and concern for its reputation. What I say is in no way personal. The evolution of RFC, its request for additional authority and recent policy regarding business loans makes me wonder at the complacency of business.

You will re- (Continued on page 62)

Modern pension attitude



By HENRY S. BEERS

Vice-President, Aetna Life Insurance Co.,
Hartford, Conn.

I propose to cover three phases of 1949 pension attitude—what seem to me the three most important questions in the pension field. Attitudes toward these questions differ greatly between different industries and between companies in those industries—also between one period of years and another. 1949 attitudes differ materially from 1939 attitudes, and bear hardly any resemblance to those of 50 years ago. Mining or manufacturing attitudes are different from those of public utility companies.

Not many years ago, the attitude in many industries toward one of my questions was probably, "Old-age pensions? What are they? If a man stops coming to work, how can he expect to receive any pay?" That has not been the attitude in many gas companies, which may be one reason why your employees are not currently striking to compel you to pay into a fund 20 or 30 cents per ton of your product. Possibly you would be willing to settle for a plan like that, if you could pay that amount per ton on your product weighed in the open air.

What is the proper 1949 attitude toward the retirement of persons who are approaching or have reached superannuation? Should your companies have a generous attitude toward pensions, a niggardly attitude, or a hard-boiled attitude?

To discuss these possibilities in reverse order, a hard-boiled attitude is presumably impossible in the public utility field for public relations reasons, if for no other. By a "hard-boiled" attitude, I mean reduced remuneration when old-age reduces a man's efficiency and usefulness, with no pension when he finally has to quit coming to work. You cannot afford to dump on the public, who constitute your customers and who elect the legislators who vote on matters of taxation and regulation, your superannuated employees without making sure that they are supplied with some means of support on a reasonably adequate though modest level. You must, at all costs, keep them from being a burden on public or private charity, or even on the state old-age assistance plan which the federal government helps the states pay for.

A niggardly attitude toward retirement will usually defeat its own end. By a niggardly attitude, I mean too small pensions, grudgingly granted. Instead of saving money through reducing pension costs, this attitude is apt to lead

to costly deferments of retirement. The pension payroll is kept low, but only at the expense of excessive regular payroll per unit of work accomplished. Superannuated employees still coming to work pretend to be doing a full normal day's work; and their well-wishing supervisors and fellow-employees often join in a tacit conspiracy to shield them from retirement. Whether this occurs at low levels of the organization where it is a mere drag on efficiency and profits, or at a high level where it may be well-nigh disastrous, a niggardly attitude will seldom make money for stockholders.

On the other hand, a more generous retirement plan will always be criticized by some as a waste of stockholders' money. They will say that it is not the duty of the stockholders both to pay good wages and to support ex-employees in affluence.

Support in affluence, even the relative affluence that would come from being enabled to maintain one's pre-retirement scale of expenditure, cannot properly be asked either of stockholders or of their customers, assuming the cost will have to come out of either one or the other. But money will be made for the one, or money saved for the other, by the adoption of a retirement attitude that will accomplish the prompt retirement of superannuated personnel.

The scale of pensions must be large enough to prevent employees from fearing retirement as something almost worse than death, and large enough so that supervisors who insist on an employee's retirement at an appropriate time can feel that they are acting in the employee's best interest.

The principles I have enunciated may strike you as true enough, but pretty old stuff. Your companies have been guided by them for as long as you can remember. A generous attitude toward retirement has been evidenced, nearly everywhere in your industry, by your actual treatment of aging employees.

Where the mistake has been made—generally until the recent past and, in too many companies, still today—is in not evidencing this attitude by any formal assurance to the employees. This absence of a formal assurance to employees has repeatedly drained off much of the value to an employing company of its expenditure of money on pensions, or on salaries continued to less than fully-productive old persons.

Pensions costs are not merely a necessary evil to (Continued on page 49)

*Convention finds industry
on threshold of greatest service*

Natural gas facing huge new markets



Informal debate: C. H. Waring (left), vice-president, The Gas Service Co., and George Bennett, Northern Indiana Public Service Company



Today the natural gas industry stands in an unusually strong position: D. A. Hulcy (left), chairman, A. G. A. Natural Gas Department, greeting R. N. Gsell (center), Magnolia Petroleum Co., speaker, and Burt R. Bay, president, Northern Natural Gas Co., chairman, Time and Place Committee

The natural gas industry was described last month as standing on the threshold of its greatest opportunity for public service. Addressing a special morning session of the Association's Natural Gas Department during the recent American Gas Association convention in Chicago, D. A. Hulcy, chairman of the department, and president, Lone Star Gas Co., Dallas, reminded his audience that demand for natural gas in manufactured gas areas is growing with each succeeding month.

Consequently, he said, great skill and care will be needed to guide the destinies of the industry. Both management and agencies of local, state and federal governments which regulate the industry's affairs will be called upon to meet the growing challenge of "our new horizons."

With a huge transmission network more than 251,000 miles in extent, thousands of additional miles of line awaiting approval, and estimated proved reserves of gas at a record 174 trillion cubic feet, the natural gas industry is in a strong position, Mr. Hulcy declared, to assume the "lion's share" of expansion during the great era which now faces the gas industry.



Official comment: Mark Shields (left), executive secretary, Pennsylvania Natural Gas Men's Association; E. M. Berger (center), president, The Peoples Natural Gas Co., and George E. Welker, president, United Natural Gas Co.



Shreveport round up: (Left to right) E. H. Herzog, Texas Eastern Transmission Corp.; P. T. Erickson, Jr., Arkansas Louisiana Gas Co., and Walter E. Caine, Texas Eastern Transmission Corp., taking an intermission between sessions

In the second featured address on the program, an attentive audience heard a resume of up-to-the-minute developments in mobile radio. Representatives from every section of the natural gas industry then received a clear picture of an interesting new event in the gas and oil industry—offshore gas and oil development.

Delegates were urged by W. T. Bulla, Natural Gas Pipeline Co. of America, Chicago, to universally accept present plans for allotment of the industry's mobile radio frequencies under two groupings. Under the new FCC arrangement, gas producing or pipeline transmission companies which do not possess a distribution system will serve under the Petroleum Radio Service (National Petroleum Radio Frequency Coordinating Association). All other gas companies will be served under Utilities Radio Service (National Committee for Utilities Radio). Each of these services has a number of regional frequency coordinating committees which are responsible for recommending to all users the most suitable frequency for their systems.

The gas industry has long recognized the usefulness of radio in carrying on its business, Mr. Bulla stated.

Today there are 373 base stations in service or under construction; 214 additional base stations proposed by 1951; 2,707 mobile units in service, and 1,241 additional mobile units proposed by 1951.

Frequencies are now available, he said, for the potential licensees and also for the licensee who may be required to move from one portion of the spectrum to another. Fair and equitable rules and regulations are prescribed which have a reasonable degree of latitude.

Mr. Bulla, currently vice-chairman, A. G. A. Mobile Radio Committee, urged each licensee in the industry to "waive his personal preference, accept whatever cost differential may be involved, and conform to the final recommendations of the regional frequency coordination committee.

"In no other phase of industry activity is there so vital a need," he remarked, "for complete and nationwide coordination."

Unquestionably the Gulf of Mexico is potentially significant as a source of commercial gas fields, remarked R. N. Gsell, coordinator of geophysics and co-author of the offshore drilling

paper with Henry C. Cortes, manager, exploration division, Magnolia Petroleum Company.

"The hazards and financial investments in off-shore drilling must be compensated," Mr. Gsell declared, "by a set of favorable regulatory measures. Briefly, we feel that the following requisites are imperative to economical production in the Gulf waters off Texas and Louisiana:

"(1) Ten-year leases to permit adequate time for development. Development is naturally slower than on land or marsh.

"(2) Low delay rentals to lower the operators' investment.

"(3) Large allowables to permit earlier reimbursement for monies expended.

"(4) Proper spacing regulations for economical and effective production.

"(5) Unitization of tracts.

"(6) Continued cooperation from U. S. Coast Guard and U. S. Engineers.

"(7) And finally, free geophysical rights to conduct exploration in the open waters."

Mr. Gsell emphasized that offshore developments in Louisiana and Texas, the primary concern of his address, include a number (Continued on page 55)

Convention gives new perspective



New light shed on manufactured gas problems: H. H. Cuthrell, chairman, A. G. A. Manufactured Gas Department and A. G. A. General Promotional Planning Committee, presided at Monday session



Don't overlook the temperature sendout curve: John B. Boniface, Public Service Electric & Gas Co., Newark, N. J., described the bases for forecasting long and short-term utility operations

New insight into operations of the gas industry overseas, plus valuable information on gas production research and on forecasting for long and short-term operation, featured a special session of the Association's Manufactured Gas Department in Chicago on October 17. A five-man panel discussion on natural gas experience in manufactured gas distribution systems added a strong working flavor to the session.

"The American gas industry represents an example of public service and of private initiative and enterprise which is not excelled anywhere in the world," Edward J. Tucker, vice-president and general manager, The Consumers' Gas Co. of Toronto, told the delegates. Mr. Tucker reported that this impression was strengthened during a trip to England and the Continent last summer as a representative of American Gas Association of which Mr. Tucker is a director.

His report on visits to the Institution of Gas Engineers and the fourth international conference of the International Gas Union brought out many basic facts concerning gas industry activities and operations in Great Britain and France.

"It was interesting to note," he declared, "that the prime operating problem common to the gas industries on both sides of the Atlantic is the meeting of peak loads."

Both the quality and extent of technical and research work undertaken by The Institution of Gas Engineers are on a high level, Mr. Tucker stated. The annual budget of the Gas Research Board amounts to about 60,000 pounds and is raised by voluntary levy on the gas undertaking. As in the United States, research work in Great Britain is greatly supplemented by manufacturers and supplies to the industry. However, he added, future programs will be in the hands of the Gas Council under the new nationalization scheme.

"In Great Britain, and indeed the same is true of the United States, much remains to be done by way of interpreting the significance of results of research work to the engineers, operating men, and executives of the gas industry."

Mr. Tucker reported that complete statistical information covering the gas industry has been collected for 16 European countries but figures for the eight remaining countries, mostly the Balkans and Russia, are not available.

Population of the countries covered exceeds 323 millions and the customers served number some 33 millions. The ratio of customers to population is one to 9.8; gas sales per mile of main per year equal 4,876 Mcf; customers per mile of main number 176, and gas sales per customer per year total 27,880 cubic feet.

Public ownership of the gas industry is "rather far advanced" in Europe, Mr. Tucker added. "The gas industries of Poland, Czechoslovakia, France, and now Great Britain, have been nationalized, and in other countries such as Holland, Norway, Sweden and Switzerland, by far the larger number of gas works are owned by the local municipal authorities."

Under public ownership in Great Britain, support of the Institution of Gas Engineers and the district associations, financially and otherwise, by the Gas Council and area boards will probably continue as in the past for some time at least, Mr. Tucker remarked.

"It is too early," he added, "to say whether the removal of the incentive which comes from private enterprise will produce a spirit of apathy and indifference in the individuals of the industry, or whether the clarion call to national service will inspire them with the necessary enthusiasm to work for the advancement and promotion of a state-owned gas industry with the same zeal as

manufactured gas operations

they exhibited under private ownership."

A bird's-eye view of the inner workings of gas production research was provided by the next speaker, John H. Wolfe, Consolidated Gas Electric Light & Power Co. of Baltimore, Baltimore, Maryland. Mr. Wolfe cited a recent statement at an American Bankers Association conference: "One of the best tests of management in industry . . . is its attitude toward research."

In support of this statement, the speaker added his own quote: "I firmly believe," he declared, "that research is vital and necessary to the success of our industry. . . . Do you believe in it? If you do, support it with your money, your understanding, your patience, and your enthusiasm. It will repay you many fold."

Outlining the operation and aims of gas production research under the Association's PAR Plan, Mr. Wolfe pleaded for a still broader understanding of the nature of research.

"We do have, in addition to the detailed reports made by the body which is carrying on each project, concise reports which are prepared regularly by the coordinator and the consultant at A. G. A. headquarters. Of necessity, the latter reports are brief and extremely helpful to those who have followed closely the various projects.

"But I must tell you," he added, "that neither you nor your sales organization will ever get the real meat out of these projects unless you or some of your men dig and go to the bottom of the detailed project reports and work out your own applications.

"The discoveries of research," he continued, "are like new tools, tools which you have never seen before and which, upon seeing, you may wonder as to their utility. Unless you study these tools, skill yourself in their (Continued on page 43)



Panel on experience with natural gas in manufactured gas distribution systems: (Left to right) Howard B. Noyes, vice-president, Washington Gas Light Co.; W. R. Fraser, chairman, Technical Section; Lester J. Eck, vice-president, Minneapolis Gas Co.; Martin I. Mix, The Peoples Gas Light & Coke Company. R. J. Rutherford, vice-president, Worcester Gas Light Co. (not shown in above picture), was moderator



Prime operating problem common to gas industries on both sides of the Atlantic is the meeting of peak loads: Edward J. Tucker (left), vice-president, The Consumers' Gas Co. of Toronto, and John H. Wolfe, general superintendent, gas operations, Consolidated Gas Electric Light and Power Co. of Baltimore, who appeared as featured speakers on the Manufactured Gas Department Program



SIZE 'EM UP PROMOTION

WATER HEATERS & CLOTHES DRIERS

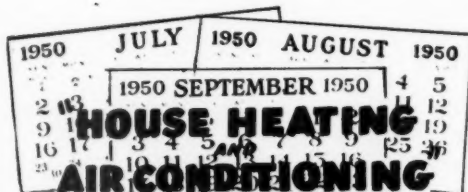
A.G.A. WATER HEATER ADVERTISING
FEB. - MAR.

A.G.A. REFRIGERATOR ADVERTISING
FEBRUARY



Spring Style Show PROMOTION

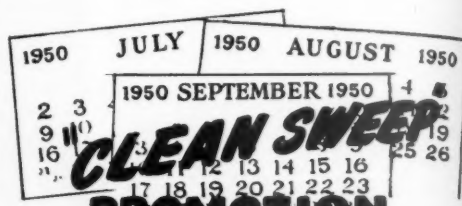
A.G.A. RANGE ADVERTISING
MAR. - APRIL - MAY - JUNE



HOUSE HEATING AIR CONDITIONING PROMOTION

with INCINERATION

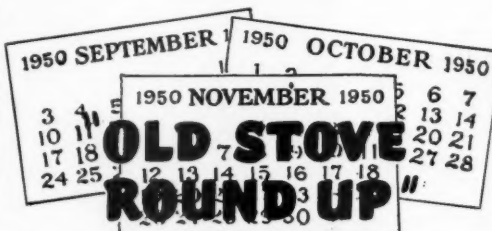
JULY - AUGUST - SEPTEMBER



CLEAN SWEEP PROMOTION

(REFRIGERATORS)

A.G.A. REFRIGERATOR
ADVERTISING .. JUNE - JULY



OLD STOVE ROUND UP

A.G.A. TIE - IN ADVERTISING
SEPTEMBER - OCTOBER - NOVEMBER

Scanning the planning for sales

By HUGH H. CUTHRELL*

Chairman, A.G.A. General
Promotional Planning Committee

Selling gas appliances has been a chief interest of mine for a great many years. I have come more and more to see the necessity of sound advance planning as a prelude to any successful sales year.

Actually one cannot stress planning too much. There will never be a successful sales year in any utility without a full year's program that is ready-to-go in January. This may seem an elementary statement to some, but if you examine your own planning carefully you will see that the industry as a whole has rarely met this elementary goal.

At the present time both sales and economic opportunities in this industry are dramatic and intriguing. I would like to point out some general aspects of the gas economy which deserve close attention because they are sound and encouraging.

It is a fair observation to say that rapid changes in gas production, distribution, and utilization are bringing about a more unified approach to the common problems of the gas industry. Such research accomplishments as the Hall High Btu Oil Gas Process and catalytic cracking have taught us that technical ingenuity can pay off. While engineers will continue to find economies of production, particularly peak load production, we in management must find a way

to pass these economies on to the ultimate consumer. This I am convinced we can do.

Our competitors in coal, oil, and electricity have stepped-up their modernization programs and have found and put into effect many economies in production and distribution which have resulted in lower prices. If we hope to meet them on a competitive basis we have to develop similar economies. And if these economies are to mean something to the sales program in 1950 (and in the next five

Par Plan Activities

years), they must be reflected in savings and service to the consumer. It is the consumer, not the sales manager or the utility executive, who is the hero or heroine of the sales picture for 1950. And that is as it should be!

Looking at the gas industry today, there are four challenges and opportunities which deserve immediate attention:

(1) The first is technological. In manufactured gas areas which are anticipating the introduction of natural gas, there will be the challenge of changes in production, distribution and utilization. Many committees are working on special projects in these fields right now.

As an industry, we have the opportunity to standardize the Btu content of

our gas—we have an opportunity to discharge a long overdue obligation to our manufacturers by standardization which will make their task easier and will bring about economies in production costs.

(2) A second great challenge is in the field of public relations. We have been plagued so long by apologizing for rising costs, rate increases, gas shortages, and inadequate distribution facilities that many customers have developed a negative attitude toward the industry. We must go back to selling gas as a modern desirable fuel; we must see that gas appliances are in the picture whenever a customer is making up his mind to buy. We have a tremendous dramatic advantage in public relations with the present-day expansion of this industry. Let's take advantage of it now.

(3) A third great challenge exists in financial operations. More and more with every year this industry is moving into a different league investment-wise—and we've got to grow up to it. If we are alert, plan well, we can benefit greatly from this fiscal "change-over." Here is a chance we've been waiting for. We will never get a better one! The fiscal decisions made now are important to the sales picture in 1950 and 1955. Weigh them carefully for long-range effects.

It's our job to see that regulatory bodies continue to provide an appealing equity security instead of forcing gas utilities to think in terms of long-term or short-term debt. Think back just two years to those trying days of rising costs and uncertain supply and you will understand why I say that never before have we had such a great anticipation of financial stability as we will have with the intelligent development of natural gas

* President-Elect, American Gas Association, and vice-president, The Brooklyn Union Gas Company. Presented October 19, 1949 at general session during A. G. A. convention in Chicago.



Frank H. Smith, Houston (head of table), chairman-elect, General Promotional Planning Committee, leading group's meeting during A. G. A. convention

and the growing use of high Btu mixed gas.

A serious and thoughtful financial study sponsored jointly by A. G. A. and E. E. I. has been published this fall. I recommend this study to your attention. It is entitled "Financing Utility Capital Requirements."

Part of the credit for the improved sentiment of investment houses toward our industry is a direct result of subscriptions to PAR. The way in which we are analyzing industry needs and doing something about them has had a good effect on investment seekers.

(4) A fourth great challenge lies in market development. Don't work in the dark. Get all facts you can about the market you serve and bring some imaginative planning to opening up new markets. If you listen just to the statisticians who forecast the future, you may miss some opportunities they have forgotten! It's their job to predict; it's your job to sell!

The gas industry needs more analytical market studies. For example, it must take a long look at all of the possibilities of gas heating. Studies of population growth show that such growth is slowing down in the cities. Rural and suburban areas, on the other hand, are experiencing rapid growth. Gas utilities should think twice before they say it is uneconomic to expand new lines to reach new and sparsely settled markets.

The common denominator of industry research is found in many factors, but none is more important than the A. G. A. sponsored industry-wide integration of research and promotion through the PAR Plan which is showing the way for

an aggressive campaign to keep this industry in a position of leadership. Results thus far have been heartening.

Total customers have jumped from 16.9 million in 1938 to a present estimated 22.9 million. Revenues have gone from \$777 million in 1938 to a present estimate of \$1,620 million—an increase of over 100 percent. And all of the elements are in the picture for again doubling revenues if we seize the advantage of our expanding economy.

The research and promotion program will be no stronger than the collective thinking of all of us. Examine your programs within your own companies and set this test for yourselves. Are you contributing any original ideas which will ensure the security of the gas industry 20 years from now? If not, what can you do to participate in the industry drive that is making this effort? Is everyone on the team in your own organization and are you making full use of youthful ideas and enthusiasm?

Opportunity for youth

We believe in a system of economic opportunity. Let's re-interest youth in the wholesome advantages of that system and let's see that there is an interchange of ideas between the older and younger members of the gas industry. I sincerely believe that there is a good future for young people in this industry. Let's help them realize it!

These points give a rich background for the important selling job we must do in 1950. The final test is the service and prestige we build with the American

customer. Not only must we increase our coverage, but perhaps even more important in 1950, we must bring the enjoyment of new gas appliances to a vast replacement market. How much we interest the customer and sell him in 1950 may very well, from a psychological point of view and from customer acceptance talk, determine the way our future will go.

For two years I have been chairman of the General Promotional Planning Committee—a committee functioning as part of the PAR program. We have been charged with the responsibility of seeing that all promotional efforts of the Association are integrated with the promotional efforts of manufacturers and utilities as well. We have been impressed with three things: the many projects we must initiate at the national level which have a direct bearing on local success; the small sums of money which we can spend to compete with well organized competitive industries, and above all, with the measure of success we can attain when we all work together.

When W. M. Jacobs of Southern California assumed the chairmanship of the A. G. A. Residential Gas Section, he set as a goal for his committees, a program of long-range planning. Under his leadership, each committee set up its merchandising and advertising plans for 1949 and 1950 and submitted them to the General Promotional Planning Committee for final approval and implementation. This made it easier to see that each PAR dollar achieved the best result.

Because of this advanced planning we will announce (Continued on page 52)

Hall M. Henry, vice-president,
NEGEA Service Corp., lists helpful data

Conversion to higher Btu gases

This paper presents an economic analysis of the effect of producing and distributing 660 and 951 Btu gases in place of a 528 Btu gas.

Data and conclusions for this analysis have been obtained from two years' experience in distributing a 951 Btu gas to some 51,000 customers at Cambridge, Mass., and on 14 months' experience with 660 Btu gas to some 24,000 customers supplied by two companies in Massachusetts—Dedham and Hyde Park Gas Company and Framingham and Marlboro divisions of Worcester Gas Light Company, and on two months' experience in changing to 660 Btu in New Bedford Gas and Edison Light Co., Milford Gas Light Company and the Worcester Division of Worcester Gas Light Company—comprising some 90,500 customers. This constitutes a total of 115,000 customers now on 660 Btu gas.

The decisions to produce and distribute these higher Btu gases were based on an economic appraisal of the several methods at the several companies' disposal for providing increased production and distribution capacities, both of which were sorely needed.

Following are highlights of some of the more significant points when converting to 660 Btu.

The 660 Btu gas, representing a 25 percent increase in heating value, was first adopted although the company had planned and technical and laboratory studies indicated there would not be any great difficulty in distributing a 687 Btu gas which would have given a 30 percent increase over the former standard of 528. The decision was made to stay at 660 Btu due to carbon difficulties the Framingham plant ran into when it attempted to go above

687 Btu. This was because of insufficient air to provide the extra heat needed to crack the additional oil required to produce a 687 Btu gas.

We were very much surprised at the carbon trouble since a 687 Btu gas had previously been produced at the Worcester plant on similar equipment without carbon difficulty. Furthermore, all appliance tests showed that a 687 Btu gas was interchangeable on any

appliance in proper adjustment on the 528 Btu gas.

The Worcester management decided to go to a 660 Btu gas in its Framingham division because the existing plant and local distribution facilities and transmission lines were over-loaded. The Framingham plant supplies some 8,800 customers in the Framingham division and 5,700 customers in the Marlboro division of the Worcester



Peak load pioneer: The author, Mr. Henry, known throughout the industry for his research studies, is shown pointing out operational details and advantages of the Hall high Btu oil gas process

Presented on October 18, 1949 at Technical Section meeting during A. G. A. convention.

Gas Light Company, plus approximately 9,300 customers through an eight-inch high-pressure line of the Dedham and Hyde Park Gas Company. Between 80 percent and 90 percent of all gas is compressed to 40 to 70 lbs. pressure.

The Framingham plant at time of

conversion consisted of one 11-foot carburetted water gas set and one nine-foot plus one one-million-cubic-foot holder. All auxiliaries were designed for an hourly capacity of 300,000 cubic feet. In addition the company had installed an LP-gas plant with three 30,000-gallon tanks and air diluters equal

to 3,800 Mcf per day. Thus, the daily design capacity was:

	1-11 ft.	1-9 ft.	Both sets
Carburetted water gas (Mcf)	4,200	2,800	7,000
LP-gas (160,000 Mcf/hr.)		3,800 Mcf/Day	
Actual peak day	7,000—1947-48		
Estimated peak day	8,200		

TABLE I

	Before	After
Water gas capacity both sets	7,000	9,300 Mcf/day
Water gas capacity plus LP-gas	10,800	13,100 Mcf/day
	12 mo. June 1948	12 mo. June 1949
Steam needs/Mcf	31 lbs.	20 lbs.
Oil gal/Mcf	3.80	4.14
Coke # Mcf	21.38	16.60
Boiler fuel # Mcf	23.80	17.70
Tar credit gal/Mcf	.95	1.03
F.O.T.S. Costs		
Oil @ 5.4¢	20.52	22.36
Coke @ \$17.28	18.40	14.27
Boiler fuel @ \$9.76	11.61	8.64
Total	50.53	45.27
Tar credit @ 5.5¢	5.23	5.66
Total	45.30	39.61
Savings/Mcf		5.69

	Before	After	Percent Change
Unaccounted for 12 mo. Mcf	106,182	104,932	—
Man hours production (6 mo.)	84,379	67,347	25.3% Dec.
Holder costs	72.0	64.8	10 % Dec.
Mcf made	1,332,777	1,424,743	6.9% Inc.
Capital expenditure	None		
Customer conversion	\$10,620		

	Meters	% Adj.	No. Ref.	Gross	Cost/Out of pocket
Framingham	8 778	55.2%	800	\$1.18	37.4¢
Marlboro	5 724	50.2	100	0.705	31.8¢
Dedham & Hyde Park	9 246	53.2	800	1.38	42.3¢

Gross adj. costs include all costs per meter including payroll and material charges of all types.

Out of Pocket costs include only the overtime hours spent over a 40-hour week—company used regular personnel.

Framingham division was running into excessive labor and maintenance costs in order to keep the plant running to full capacity. Complaints of low pressure were so serious as to have aroused groups of customers to complain to the local Council and to the DPU. In addition, the company had had to put in a curtailment order on heating. With this situation facing the management, it was obvious that something had to be done.

The company gave serious consideration to going to 951 Btu gas but decided against it as this higher Btu gas had at the time only been made successfully using light gas oil, and holder costs per therm would have been greater than the costs per therm of carburetted water gas. Further, it seemed desirable to await development on the higher Btu gases using heavy oil.

A comparison of certain operating details (Table I) illustrates the benefits this company has derived from 660 Btu gas. (All data on 528 Btu equivalent.)

These comparative results, being based on the operating figures for the Framingham plant alone, may not reflect the true savings as oil and/or coke qualities may have improved over the two periods. That this has happened is evident by the following comparison made of two other companies in our group. (Table II)

The savings of 1.38 at Worcester is due to other factors than better fuel. According to the local operating personnel about 1/2 of 1.38 can be attributed to better fuels. Even after modifying the 5.69¢/Mcf saving by the improvement resulting from better gas making materials which for Worcester and New Bedford was .69 and .79¢ respectively, or ave. .74¢, we see that

Tribute should be given to R. J. Rutherford, vice-president, Worcester Gas Light Co., who assumed full responsibility for the technical studies and general supervision of the entire program, ably assisted by A. C. Frey, general manager, Worcester Gas Light Co., T. F. Papen, general superintendent of production, and to Jack Turnan, superintendent of the Framingham plant, who capably handled details of making the necessary plant adjustments to produce the 660 Btu gas, and to Ben Bean, new business manager, Worcester Gas Light Co., who planned and supervised the appliance testing, and to the many other department heads who cooperated to bring about the successful changeover to the 660 Btu gas.

there was a definite saving of at least $(5.69 - .74) = 4.95¢$ per Mcf in F.O.T.S. costs.

A typical plant gas analysis is shown in Table III and indicates that the sp. gr. was increased but slightly. A sample of the 660 Btu gas and of a 528 Btu gas were sent to a laboratory for a mass spectrophotograph analysis so a comparison could be obtained on the two kinds of gases. This is shown in Table IV.

Utilization

Although this is an economic analysis it would be remiss if we failed to mention something about the effect of 660 Btu gas on the performance of existing appliances. First, the technical and laboratory findings indicated that all appliances (with the single exception of the refrigerator) would perform satisfactorily on 660 *provided they were in proper adjustment* on 528 Btu gas. Naturally all appliances were not in proper adjustment and hence some 50-60 percent of all customers had to be visited and the appliances adjusted. In the case of refrigerators the representative working with our men found that through the use of a certain size spud and a certain flame adjustment the refrigerators would work satisfactorily on either gas. Hence prior to introducing 660 Btu gas the refrigerator could be preadjusted. This preadjustment worked so well that we had fewer refrigerator calls during the summer than in any previous period.

Customer opinion survey

A customer opinion survey was made in January 1949 to determine how they felt about the new gas. Results are shown in Table V.

TABLE III

Regular plant gas analysis & sp. gr.
660 Btu 528 Btu

CO ₂	4.8	5.6
H ₂	13.1	8.6
O ₂	0.6	0.5
CO	24.3	26.3
H ₂	24.6	37.3
CH ₄	20.8	9.9
N ₂	11.8	11.8
Sp. Gr.	.73	.72
Sp. Gr.	.71	.69

TABLE II

	Framingham 12 mo. June		Worcester 12 mo. June		New Bedford 12 mo. June	
	1949	1948	1949	1948	1949	1948
Oil	4.14	3.80	4.05	4.13	3.828	3.903
Coke	16.60	21.38	15.87	16.39	17.29	17.91
B.F.	17.70	23.8	16.03	17.29		
Tar @ 25%	1.03	.95	1.01	1.03	.96	.98
Price						
Oil		5.4¢/gal.			4.6¢/gal.	
Coke		17.28			18.00	
B.F.		9.76			—	
Tar		5.5¢/gal.			5.5¢/gal.	
F.O.T.S./Mcf						
Oil	22.36	20.52	21.88	22.30	17.61	17.95
Coke	14.27	18.40	13.71	14.16	15.56	16.12
B.F.	8.64	11.61	7.82	8.44	—	—
Total	45.27	50.53	43.41	44.90	33.17	34.07
Tar	5.66	5.23	5.56	5.67	5.28	5.39
F.O.T.S.	39.61	45.30	37.85	39.23	27.89	28.68
Saving		5.69		1.38		0.79

Of even greater significance is a comparison of the holder costs for these three companies for the two 12-month periods.

Holder Costs*

	Framingham	Worcester	New Bedford
12 Mo. June 1948	72.0	61.3	54.5
12 Mo. June 1949	64.8	59.3	52.5
Difference	7.2¢	2.0	2.0

* The actual holder costs per books have been adjusted to reflect the same unit fuel prices and tar credits for the two-year periods so that the above differences are mainly due to improved efficiencies and lower labor and maintenance costs. The savings at Framingham are not entirely attributable to the 660 Btu gas, since a new three million cubic foot storage holder went into operation in January 1949, and tended to improve the over-all costs. Local personnel estimate that three cents/Mcf of the total savings are attributed to the new holder.

Comments

Jack Turnan, Superintendent of Framingham plant, had the following comment in his talk before the operating division, New England Gas Association in June 1949:

Plant

Plant capacity increased 25 percent
Efficiency of the sets was greatly improved
Steam per 1,000 reduced 1/3, now 1/2
Oil per 1,000 increased .2 to .3, now .1 to .2

Coke decreased four to six lbs. per Mcf, now seven lbs.
Efficiency of gas compressors improved
Fire cleaning time has been reduced
Wash box cleaning periods reduced
Separator troubles reduced
Water content of tar reduced
Reduction in steam allowed shut down of one boiler
Gas makers like operation much better
Saved the proposed installation of a new 11 ft. set
Reduction in amount of propane to meet peaks. (Continued on page 58)



Home service breakfast program draws large crowd: Head table and some of the convention delegates who attended from every section of the industry

Home service proves flexibility

Home service was characterized as one of the main communication links between gas companies and the public by Robert W. Hendee, president, American Gas Association and Colorado Interstate Gas Co., at the 1949 home service breakfast in Chicago. Record attendance at the breakfast and round-table sessions added proof of the growing interest with which all sections of the industry are promoting and following home service activities.

Mr. Hendee, in his presidential greetings, said that gas company officials are increasingly aware of "the wonderful job being done by home service departments."

Included in the head table seating were: President and Mrs. Hendee; H. H. Cuthrell, president-elect; and W. M. Jacobs, chairman, Residential Gas Section in which the Home Service Committee functions. Mr. Jacobs, who is vice-president, Southern California Gas Co., Los Angeles, spoke briefly to the

group and complimented gas company home service personnel in general for their "Cheery and extremely helpful attitude in gas company customer contacts."

The remarkable flexibility which enables home service planners to constantly study and adapt new ideas, was pointed up by the A.G.A. Home Service Committee chairman, Eleanor Morrison, Michigan Consolidated Gas Company. Many utilities have already grasped the significance of television as a new promotional medium, she said, and the industry as a whole is "even more alert to the part that television is playing in home service work."

Following this introduction, the breakfast audience was treated to a series of "Cuff Notes on Television" based on actual working experience in three large cities throughout the country.

From Cleveland, Ohio, Jane Schleicher described how The East Ohio Gas Company has developed its own tele-

vision studio which now ranks as one of the most modern in existence. Twenty-one half-hour programs have been televised on the gas company location, she added, as a means of bringing modern gas equipment to large new audiences.

Public acceptance has been surprisingly good, she said, and special recipe offers alone have brought many replies.

Under the East Ohio plan, the television station supplies all the technical equipment, directors and operating personnel; the advertising agency provides the talent and produces the show, and the gas company donates the studio, which adjoins the home service auditorium, and other facilities.

A second type of program, broadcast direct from the home service bureau of Consolidated Gas Electric Light and Power Co. of Baltimore, was outlined by Mrs. Florence J. Neely. Experience to date has developed, she declared, a number of helpful suggestions for any com-

pany considering this type of television show.

First, don't count on being able to use the home service kitchen the day the program is on the air. Second, make a thorough preliminary survey of sound conditions throughout the entire building. Dozens of unsuspected noise sources must be eliminated before the program starts.

Air conditioning in summer, she said, is an absolute essential for a good television program. Chrome and other bright materials will have to be coated to prevent glare.

The Brooklyn Union Gas Company's experience as guests on an established television program were related by Ruth B. Soule. The company buys a one-minute "spot" commercial five days a week.

"We found at first," she remarked,

"that the gas flame was invisible on the screen. This difficulty was finally overcome by adding pulverized salt."

Four members of the home service staff alternate in program presentations. Audience response is most evident when the final picture shows an attractive food product, broiler or oven meal. "We have found many problems in our experimentation work but these have been corrected in process and all have been overbalanced by the fun, excitement and thrill we in Brooklyn get out of television."

With more than seven million new homes established since 1940 and with more money to spend per capita than ever before, opportunities for home service look glowing. Esther Latzke, director, consumer service department, Armour and Co., Chicago, told the break-

fast audience that in the utility field there is an exceptional opportunity to make home service "function as a sales tool—for actually you are selling *service*."

"We are no longer selling product *only*," she declared, "but rather *product plus service*."

"Women's service departments are no longer recipe testing, telephone answering, cooking school departments, separated by reason of their sex into a group apart. They are or should be a vital part of *sales*. They can play an important role in shaping company policies as they relate to the interests and reactions of the ultimate consumer. With their hands literally on the pulse of the buying public, they can appraise the value of a product, sales slant or a promotion with a realistic viewpoint."

In closing the Breakfast, the chairman



(Left to right) Martha Carnes, Servel Inc.; Mrs. Myrna Johnston, Better Homes and Gardens; Eleanor Morrison, Michigan Consolidated Gas Co.; Lucy Maltby, Corning Glass Works; Irene Muntz, chairman-elect, Home Service Committee



Planners at work: Jessie McQueen (left), A. G. A., conferring with Eleanor Morrison (center), chairman, Home Service Committee, and Mildred R. Clark, past-chairman of the committee



Our section feels a proprietary interest in home service, reported H. P. Morehouse (right), chairman-elect, A. G. A. Residential Gas Section. Left is Ruth Soule, The Brooklyn Union Gas Co., and right, Mary E. Huck, The Ohio Fuel Gas Company



Trading ideas: (Left to right) Dorothy Fulton, Citizens Gas & Coke Utility; L. J. Fretwell, Oklahoma Natural Gas Co.; Mrs. Pauline Treisch, The Tappan Stove Co.; Jane Schleicher, The East Ohio Gas Co.; Viola Decker, North Shore Gas Co., and Fay Rudolph, Southern Indiana Gas & Electric Company

expressed appreciation to the manufacturers of "CP" gas ranges who had made available individual red roses for those in attendance; also to the following home service directors representing 20 gas companies who as hostesses did much in making the guests fully welcome:

Katherine Barnes, Equitable Gas Co., Pittsburgh; Lois Wilson, Iowa Illinois Gas & Electric Co., Moline, Ill.; Mrs. Mary L. Bohn, The Laclede Gas Light Co., St. Louis, Mo.; Flora Dowler, The Manufacturers Light & Heat Co., Pittsburgh; Frieda Barth, Michigan Consolidated Gas Co., Detroit; Mrs. Ella L. Lambert, Milwaukee Gas Light Co., Milwaukee; Florence Eng, Minneapolis Gas Co., Minneapolis; Betty Jane Frahm, Montana Dakota Utilities Co., Bismarck, N. D.; Violet Radman, Northern Indiana Public Service Co., South Bend, Ind.; Mary Huck, The Ohio Fuel Gas Co., Columbus, Ohio; Nellie Fredeen, Alfreda Zukowski and Marjorie Hayward, The Peoples Gas Light & Coke Co., Chicago; Helen Bell, The Peoples Natural Gas Co., Pittsburgh; Martha Carnes, Servel Inc., Evansville, Ind.; Mrs. Pauline Treisch, The Tappan Stove Co., Mansfield, Ohio.

The home service round table on Wednesday afternoon also played to a standing-room audience. Chairman Eleanor Morrison, in introducing the program stated that home service has a reputation for being up to date and alert to new developments.

"It has seemed to us that every gas utility company has been building something this last year—a new building, a new sales floor, a modernized home service department. We know of no company that has carried on as extensive a modernization and building program as Oklahoma Natural Gas Company."

Mildred Clark, home service supervisor of that company, used colored slides to show the many points of modernity in seven district offices that have become in each community the center of

what's new in kitchens and home service auditoriums. Floor plans were shown to indicate how three wall demonstration platforms can be backed by auxiliary kitchens for use by community groups to provide classroom instruction for home economics students.

Concrete evidence of information gained at the Annual A. G. A. Home Service Workshop was put to work at home on the job in a survey on homemakers' baking equipment carried on in the gas company in Indianapolis.

Good will of many women customers of Citizens Gas & Coke Utility, Indianapolis, Ind., has been obtained through a successful pilot survey of standardization in baking pans, according to Dorothy Fulton, home service director of that utility. The project was a follow up on earlier studies made by General Mills and National Family Opinion, the latter, an independent research organization.

Miss Fulton reported that her company's survey has accomplished three main objectives:

"We have insured to some extent better baking results with the modern automatic gas ranges we are selling. Home service calls show very often that owners of new gas ranges are unable to obtain standard baked products simply because they were using incorrect baking pans.

"We feel that we have insured better results from our recipes which we distributed to homemakers. Much time, money and effort goes into the development of tested recipes. We felt this an excellent way to build confidence in our recipes.

"Interest was stimulated and good will secured for our company, for this activity was not a direct sales activity on our part and showed women we had a genuine interest in their homemaking problems."

Food trends, new products, new packages, new ways of merchandising are all food headlines today, declared Mrs.

Myrna Johnston, associate editor, director of foods and equipment department, Better Homes and Gardens magazine, Des Moines, Iowa.

Mrs. Johnston noted two big trends in foods. One is precision cooking made possible by precision equipment, methods and pre-measured products. The second trend is new interest in the gourmet food classification.

Today, she declared, many cooks are experimenting with new flavors. They are puttering with everything from herbs in perfect brown stew to just the right flavor for salad bowl greens. And right at that point is where the men come in the picture. A recent survey conducted by Better Homes and Gardens showed that men have "more culinary courage than their wives."

There is also news for home service in nutrition, Mrs. Johnston added. "Eat to live—eat to live ten or even 20 years longer is the new idea. Nutritionists are swinging the spotlight from youngster to older."

Thus an intense search is on for foods with old-fashioned flavor but new-fashioned speed.

Irene Muntz, home service director, Rochester Gas & Electric Corp., and incoming chairman of the Home Service Committee, pointed up new ways to accent the importance of automatic gas water heating to audience groups. Forty minutes of each demonstration program included a discussion of laundry procedures. "Merry Monday" was pictured in an automatic washer demonstration. With "skillet specials," different uses of the washer and dryer were demonstrated. Information on stain removal and the story of detergents were features of particular interest to women attending the programs.

Introduction of home service personnel and representatives of women's magazines, newspapers and food companies, concluded the home service round-table program.

Fall meetings top home service calendars

GAS COMPANIES in Pittsburgh, Pa., and Rapid City, South Dakota, recently climaxed their home service activities for the year with special fall meetings.

Sixteen home economists from The Manufacturers Light and Heat Company and associated companies in the Pittsburgh Group of The Columbia Gas System, Inc., met in Steubenville, Ohio, for a three-day home serv-

ice group meeting, September 13-15. Flora G. Dowler, home service supervisor, conducted the conference program. Dramatic demonstrations of equipment for consumer audiences were featured.

Betty Jane Frahm, home service director, Montana-Dakota Utilities Co., and her staff of eight advisors met for three days, September 7-9, in a home service conference pre-

ceding the company's annual sales conference in Rapid City, South Dakota. Manufacturer representatives participated on both programs. Attention centered on sales-slanted demonstrations as a training activity for home service customer contacts. W. L. Hayes, general sales manager, presided at the sales conference, September 12-14.

Accounting sessions stress the importance of good customer relations

Keep your house in order



Top trio: (Left to right) J. H. W. Roper, Washington Gas Light Co., incoming chairman of the Accounting Section; L. E. Reynolds, The Connecticut Light & Power Co., outgoing chairman who presided at the sessions, and Alan A. Cullman, Columbia Engineering Corp., vice-chairman-elect



Officers and speakers for combined general session: (Left to right) F. J. Porter, Jr., chairman, Customer Relations; A. G. Burnett, chairman, Customer Accounting; P. E. Eddy, vice-president, The Peoples Gas Light and Coke Co.; A. T. Gardner, coordinator, General Activities Group; P. E. Ewers, coordinator, Customer Activities Group; J. R. Maher, The Connecticut Light and Power Co.; Leland Balch, Lowell Gas Co., and Joseph F. Farley, chairman, Accounting Employee Relations

Customer relations were given a prominent role on the Section's convention program last month along with timely aspects of materials and supplies, property records and general accounting. Carefully integrated sessions on Tuesday and Wednesday were followed on Thursday by the popular Accounting Section luncheon meeting.

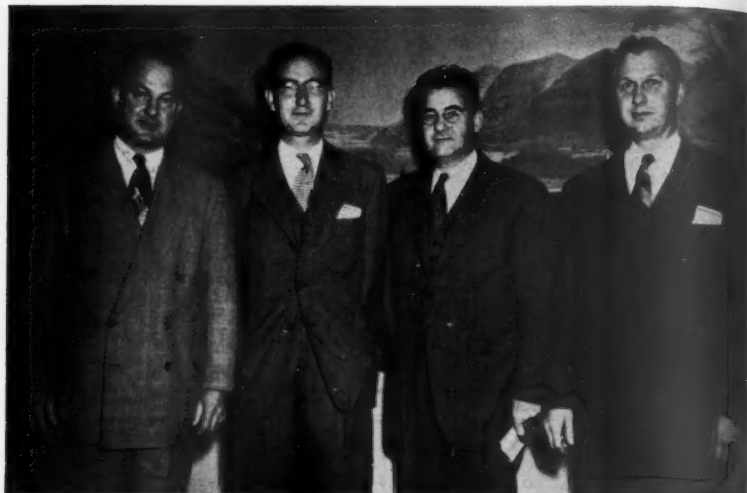
Intense interest in the various meetings furnished convincing proof of the vigor with which the gas industry is attacking its accounting problems. Delegates and guests alike attested to the value of the program, painstakingly prepared by Section Chairman L. E. Reynolds, The Connecticut Light and Power Co., Hartford; Vice-Chairman John H. W. Roper, Washington Gas Light Co., Washington, D. C., and their supporting committees.

Opening the General and Customer Accounting session on Tuesday, A. T. Gardner, Delaware Power and Light Co., Wilmington, coordinator of the General Activities Group, introduced as the opening speaker, A. G. Burnett, New York Power and Light Co., Albany. Mr. Burnett presented a paper entitled "The Common Law of Public Utility Accounting" which dealt with the unwritten "conventions" of accounting practice. He pointed out that on the whole practically all commission rulings are made in accordance with some long-standing accounting "convention"—a part of its common law.

Mr. Burnett drew attention to the special "convention" which exists in the utility industry of relating all physical property with original cost and having these dollars follow the final disposition of the physical property. A new idea that should be considered, one which seems to offer tremendous possibilities



Guest speakers at Accounting Section luncheon: J. B. Jeming (left), consultant, New York, N. Y., and L. E. "Cy" Frailey, Columbus, Ohio



General Accounting participants: (Left to right) D. W. Peterson, Minneapolis Gas Co.; A. T. Gardner, Delaware Power & Light Co., coordinator, General Activities Group; Carmen G. Blough, American Institute of Accountants, New York, N. Y.; R. H. Johnson, The Brooklyn Union Gas Company

for economies, he said, is to assume that dollars spent on construction should not follow the property. The money spent constitutes an investment which over a period of time would be amortized as an expense against the revenue earned thereby. "Such a 'convention,' if used in place of the dollar follow property," declared Mr. Burnett, "would have the result of eliminating all depreciation accounting as now practiced."

Remaining speakers were introduced by P. E. Ewers, Michigan Consolidated Gas Co., Detroit, coordinator of the Customer Activities Group.

Second speaker of the afternoon, Leiland Balch, Lowell Gas Co., Lowell,

Mass., presented a paper on "Bottled Gas Accounting—The Problems of LP-Gas Accounting." This was the first time a paper on the subject had been presented to the Accounting Section.

Mr. Balch briefly summarized the experiences of Lowell Gas Company in connection with the sale of LP-gas. He showed that attempts to regulate the industry as to rates or accounting procedures have proven unsuccessful to date. Due to the lack of regulation, accounting procedures may be followed which best serve the requirements of any particular company.

Joseph R. Maher, The Connecticut Light and Power Co., Waterbury, spoke

on "Training Accounting Department Employees—a Practical Problem with a Practical Solution." He stated that developing and training programs must have good foundations to be successful.

A successful program, he said, must begin with top management—tell them what should be done, get their approval on time and money expenditures, keep them informed during the development period and after. Second requisite, he stated, is not to attempt to undertake the work by oneself, but draw on a program committee of "working" men. He described such a committee as "your best salesmen." Third requisite is to make a searching analysis of one's own



There's news in property records. Officials and guest speakers during Wednesday meeting: (Left to right) A. N. Durand, Public Service Electric & Gas Co.; H. Frank Carey, Long Island Lighting Co.; K. R. Watson, chairman, Property Records Committee, and R. H. Miller, Northern Natural Gas Company



Service order panel: T. C. Eickmeyer (left), Dayton Power & Light Co.; A. C. Haake, The Peoples Gas Light & Coke Co.; J. W. Vanier, Southern



Handling of truck stocks is fundamentally a problem of material in motion, declared Carl H. zur Nieden, Philadelphia Electric Co., at Materials and Supplies Accounting meeting



Standard Packaging: L. R. Michelsen (left), chairman, Materials and Supplies Committee, who presided, and G. B. Herr, The Peoples Natural Gas Co., who reviewed progress toward acceptance of standard packaging by pipe fitting makers

specific needs and design the program to meet their requirements alone.

Mr. Maher suggested that audio and visual methods of training can be most effective and brought his talk to a close with a novel presentation of a recording and a film strip concerning a delegate's report of a convention.

The last paper presented at this session, "Why Are Good Customer Relations Necessary?" was delivered by Philip E. Eddy, vice-president in charge of customer service, The Peoples Gas Light and Coke Co., Chicago. The speaker stressed that without customers there would be neither gas companies or jobs for the industry.

Good customer relations, he remarked, are shock absorbers, not developed from fear but from experience. "An ounce of prevention is worth a pound of cure. We are not fearful—we are aware of what can take place in our house if it is not kept in order. The *why* of good customer relations is the *why* of profit instead of loss, of understanding instead of friction, of contented employees instead of malcontents, of prestige instead of contempt, of the right to meet as we are meeting here in fellowship—to live in peace—to work in happiness!"

Chairman L. R. Michelsen, The Peoples Gas Light and Coke Co., presided at the two sessions of the Mate-

rials and Supplies Accounting Group. On Tuesday, G. B. Herr, The Peoples Natural Gas Co., Pittsburgh, reviewed the rapid progress made toward acceptance of standard packaging by manufacturers of pipe fittings.

Manufacturer representatives attending the session presented exhibits of fittings put up in standard packages and discussed with members of the group the various objectives and problems involved. A questionnaire on quantity, assembling, weight and other standard packaging specifications is to be sent out to members of the Materials and Supplies Committee. (Continued on page 51)



California Gas Co.; L. J. Rau, Consolidated Gas Electric Light and Power Co. of Baltimore; John A. Williams, Niagara Hudson Power Corp.



Participants in Customer Activities meeting: (Left to right) O. B. Cook, Battle Creek Gas Co.; F. S. Pickford, The Hartford Gas Co.; P. E. Ewers, Michigan Consolidated Gas Co., coordinator, Customer Activities Group, who presided, and B. J. McMillen, The Cincinnati Gas & Electric Company



Speakers, guests, Association and Section officials at head table during the Industrial and Commercial Gas luncheon in Chicago

Hulcy keynotes Chicago session

One of the largest groups ever to attend a Section luncheon greeted the opening of the Industrial and Commercial Gas Section's 1949 convention session on Wednesday, October 19 at the Hotel Sherman, in Chicago. All levels of gas company personnel were represented together with numerous representatives of industrial equipment and heavy duty commercial cooking appliance manufacturers.

As the featured luncheon speaker, D. A. Hulcy, Association vice-president, sounded the keynote of the session in an address entitled, "Industrial and Commercial Gas Sales—The Balance Wheel of the Natural Gas Industry." This talk was particularly significant now that many communities are receiving natural gas for the first time.

"Industrial sales contracts are highly desired and are absolutely essential to successful operation," Mr. Hulcy stated. "Natural gas continues to play the major role in the things that are happening in our industry today, and it seems that before too long a period of time has elapsed most all of the larger companies will have a direct interest in this wonder fuel. In view of the healthy condition of the available supply of natural gas, and the recognized ability of major

trunk line companies to deliver large volumes over long distances, it seems the chances should be reasonably good for the successful promotion of the industrial business available."

Due to nearly 100 percent house heating saturation, Mr. Hulcy stated, Lone Star's load factor is about 50 percent as compared with 90 plus for many natural gas pipelines serving eastern markets. Only a large volume of industrial sales makes this load factor possible, he said, pointing out that his company serves 3,000 industrial customers ranging from small users to an electric generating station using 40 million cubic feet per day.

Following the luncheon, Bernard T. Franck, Section chairman, made his annual report covering activities of all committees and subcommittees. He noted that while the increase in total gas revenues for the 12 months ending June 30, 1949 is 9.8 percent, industrial and commercial gas revenues were both up over 15 percent and that the combined industrial and commercial gas revenue now accounts for 39.5 percent of total gas industry revenues.

Mr. Franck further stated that in proportioning advertising appropriations from PAR funds it has been recognized

that the Section must meet a stepped-up competition for the commercial cooking business. While the industrial use of gas has not been as strongly attacked in some instances, interruptions of firm gas have had an unfavorable effect on our public relations. While fences are rapidly being mended, it is still highly important, he said, to use every means to promote the industrial uses of gas.

He listed the Section's accomplishments in the production of educational and promotional material and briefly outlined various activities undertaken.

Three featured talks were next on the program. Leading off, E. G. de Coriolis, director of research, Surface Combustion Corp., Toledo, abstracted his technical paper entitled "Studies of Industrial Gas Combustion with Oxygenated Air." This paper was based on A.G.A. Industrial and Commercial Gas Research Project IGR-61, a PAR Plan Activity. Jack Huebler, research engineer, Surface Combustion Corp., was co-author. Mr. de Coriolis skimmed the highlights of the paper which includes many charts and references together with tables and formulae. Copies may be secured from A.G.A. headquarters.

Second speaker of the afternoon was Elmer H. Lerch, Rochester Gas & Elec-

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tric Corp., Rochester, N. Y., on the topic, "Auxiliary Equipment for the All-Gas Commercial Kitchen." Mr. Lerch emphasized the importance of securing gas load for auxiliary equipment in view of competition by similar electric items.

"The value of the gas counter load," he declared, "is definitely not a drop in the bucket. In fact, counter cooking is a promotional medium for the entire gas industry."

"Counter cooking," he continued, "has always been the *toe-in-the-door* that the electric industry has sought. It is, therefore, important for the gas company to protect the counter load as a defensive measure against encroachments by the electrical competition on the major cooking load. You have the tools that your competitors would like to have—make full use of them."

The final paper was presented by Charles C. Eeles, industrial engineer, The Ohio Fuel Gas Co., Toledo. Discussing "Sales Techniques to Meet Tomorrow's Competition in the Industrial and Commercial Market," Mr. Eeles stated:

"A successful industrial and commercial department does not result immediately upon selection of qualified personnel. Each man requires months of training before he can competently handle his customers' fuel problems. The first requirement is a comprehensive knowledge of fuel application and plant processing . . . , each man must be completely familiar with operations and policies of his own company . . . have a willingness to roll up his sleeves and properly adjust a burner whose erratic operation has increased the blood pressure and reduced the income of those dependent upon it."

He closed with an interesting list of qualifications and materials which if: "Effectively used, will counteract decreasing prices of competitive fuels and enable us to steadily expand the acceptance of gas for industrial and commercial processing."

The session closed with the election of D. W. Reeves, Oklahoma Natural Gas Co., Tulsa, as Section chairman, and Carl H. Lekberg, Northern Indiana Public Service Co., Hammond, as vice-chairman. A memorial resolution was presented regretting the loss to the gas industry in recent months through the deaths of T. J. Gallagher, The Peoples Gas Light and Coke Co., Chicago, and Daniel J. Brogan, The G. S. Blodgett Co., Inc., Burlington, Vt., who contributed heavily to Section activities.



Keynote speaker and A. G. A. Section leader: D. A. Hulcy (left), A. G. A. vice-president and luncheon guest, being greeted by the Section's chairman, Bernard T. Franck, Milwaukee Gas Light Company



Leon Ourusoff (center), Washington Gas Light Co., chairman, Nominating Committee, conferring with new officers of Industrial and Commercial Gas Section: D. W. Reeves (left), Oklahoma Natural Gas Co., chairman, and Carl H. Lekberg, Northern Indiana Public Service Co., vice-chairman



Wednesday afternoon speakers: (Left to right) Elmer H. Lerch, Rochester Gas & Electric Corp.; E. G. de Coriolis, Surface Combustion Corp., and Charles C. Eeles, The Ohio Fuel Gas Co., both from Toledo

Large convention audience asked to maintain sales momentum

The nationwide sales offensive that has sparked domestic gas sales in 1949 and is expected to make 1950 a banner merchandising year was portrayed with dramatic emphasis at the Residential Gas Section convention session on Tuesday afternoon, October 18, in Chicago. Speakers pinpointed the various A. G. A. campaigns to sell gas ranges, water heaters, refrigerators, air conditioners, laundry dryers and incinerators. With approximately 1,000 sales executives present, it was the largest attendance in the recent history of the Section's meetings.

W. M. Jacobs, vice-president, Southern California Gas Co., Los Angeles, and chairman of the Residential Gas Section, opened the meeting with a review of the principal sales activities of the year. He called attention to the effectiveness of the Old Stove Round Up and warm-up range campaigns, and cited the wide participation in the "Flame of Freedom" refrigeration contest and the "Court of Flame" water heating program.

Two hundred and fifty-three gas companies, representing 11 million meters, 7,000 dealers and 2,000 utility company salesmen took part in the "Court of Flame" water heating program, sponsored by the Water Heater Division of Gas Appliance Manufacturers Association, Mr. Jacobs reported. A feature of this effective promotion was a prize contest for gas company and dealer salesmen, providing for \$63,000 in U. S. Savings Bonds, two automobiles, and "Oscars" for gas companies. The A. G. A. Water Heating Committee mobilized its efforts in support of this activity and extensive A. G. A. consumer advertising contributed to its success.

The Old Stove Round Up is an out-

Keep the offensive rolling



Incoming Residential Gas Section officers who will lead the intensive nationwide sales drive in 1950: H. Preston Morehouse (left), Public Service Electric & Gas Co., Newark, N. J., chairman-elect of the Section, and Carl H. Horne, vice-president, Alabama Gas Corp., vice-chairman-elect

standing example of industry-wide coordination and long-range planning, Mr. Jacobs said. In addition to the Promotional and Publicity Bureaus and the National Advertising Committee, this campaign utilized the diversified talents of such Residential Section committees as Domestic Range, Sales Training, Display, and Home Service. The New Freedom Gas Kitchen Committee prepared special material and the Gas Range Division of GAMA organized dealers across the country.

Long-range planning, initiated a year ago by the Residential Gas Section, is now an actuality, according to the chairman. "Planning for 1950 is complete," Mr. Jacobs declared, "and all sales, promotional and advertising activities are completely integrated." A promotional calendar including the complete 1950 A. G. A. promotional

and advertising program will be made available to gas industry sales executives on December 1.

Urging the industry to make full use of A. G. A. programs, Mr. Jacobs stated in positive terms that "customers will buy and buy again, but the important thing to remember is they will have to be sold."

Following the chairman's address, C. S. Stackpole, vice-president and sales manager, Airtemp Division, Chrysler Corp., Dayton, Ohio, and chairman of the Nominating Committee, presented recommendations for new officers for the 1949-1950 term. H. Preston Morehouse, assistant gas sales manager, Public Service Electric and Gas Co., Newark, N. J., and C. H. Horne, vice-president, Alabama Gas Corp., Birmingham, were unanimously elected to serve as chairman and



W. M. Jacobs, Section chairman, and vice-president, Southern California Gas Co., opening the meeting with a review of sales activities



Full speed ahead with modern gas appliances: (Left to right) Harold Massey, assistant managing director, GAMA; J. J. Quinn, chairman, A. G. A. National Advertising Committee; Mrs. Elizabeth Sweeney Herbert, McCall's Magazine; W. D. Williams, chairman, A. G. A. Water Heating Committee



S. C. Gorman, sales promotion director, GAMA "Court of Flame" automatic gas water heater campaign, illustrating with the help of an attractive model the industry's plans for its 1950 drive. 1949 "Court of Flame" enlisted 253 gas companies, 7,000 dealers and 2,000 utility company salesmen



Edith F. Frey, GAMA, helping Harold Massey point out gas appliances which offer attractive load possibilities for concerted industry action

vice-chairman, respectively.

A forceful and informative talk on the market and load value of gas-fired laundry dryers, incinerators and air conditioners was presented by Harold Massey, assistant managing director, GAMA, entitled "Selling the New Big Jobs." These three appliances offer the gas industry an attractive load and provide the public with a basic buying motive, "complete independence of the weather."

A gas laundry dryer, Mr. Massey asserted, will give the utility a good base load and also increase the water heating load by helping to keep the laundry in the home. "It costs one-third as much to operate a dryer with gas as it does with electricity. It is no compliment to the gas industry that the electric models are outselling gas models today, two to one." Consumer sur-

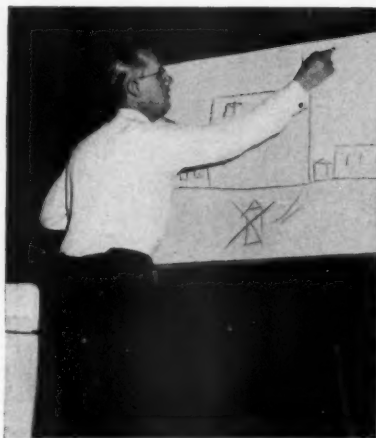
veys quoted by the speaker showed a substantial dryer market; one such study predicted that 2,600,000 units would be sold in the five-year period, 1948-1954.

The gas-fired incinerator has few operating problems, Mr. Massey continued. It supplements the utility's base load and protects more competitive loads. In many instances, the incinerator tips the scales to put a losing account on a paying basis at no additional cost to the utility, he said. The universal need for garbage disposal assures a ready-made market of large proportions. GAMA is conducting a nationwide survey for its Incinerator Division, Mr. Massey indicated.

All-year gas air conditioning, which improves the health and comfort of the customer, is ready to do a real job of load building for those gas com-

panies who aggressively merchandise this third new and big job, according to Mr. Massey. Most important from the utility viewpoint, it will fill in summer valleys. "Even in Northern cities," he said, "cooling load is nearly twice that of the annual range, refrigerator and water heater load combined. No equipment ever built for the gas industry offers a more desirable combination of load features." The average annual load of one residential all-year gas air conditioner equals the load of 23 gas refrigerators, 25 gas ranges or 17 gas water heaters. Furthermore, gas air conditioning demonstrates the modernity of gas.

In conclusion, Mr. Massey pointed out that some southern cities are now selling 200 to 800 units annually. "When an industry sells in three post-war years, notwithstanding gas restric-



Cecil Dunn, Estate Stove Co., using humorous sketches during his A. G. A. convention address to trace the development of the modern automatic gas cooking unit from the earliest gas range



Louis Ruthenburg (far right), board chairman, Servel Inc., with "Flame of Freedom" gas refrigeration winners: (Left to right) B. H. Wittmann, Chicago; J. J. Deely, Brooklyn; Charles H. Wirth, Columbus, Ohio; James A. Wilson, Houston, Texas; William G. Barrar, Jr., Charleston, W. Va.; J. J. Sheehan, Galveston; Carlyle Sweet, Miami Beach; Robert H. Young, Stigler, Oklahoma

tions, a tonnage equal to that sold in all prewar years, people are substantially indicating that they want to buy."

Turning the spotlight on water heater promotion, W. D. Williams, Public Service Electric and Gas Co., Newark, N. J., chairman, A. G. A. Water Heating Committee, made an eloquent appeal for the gas industry to do a better job of promoting this vital business. Mr. Williams pointed to 1935-1941 as the real promotional era in the gas water heating field, when special campaigns of all kinds implemented by the Billy Sundays of sales sold water heaters in spite of lower buying power than exists today. Now we have the golden era, he stated. Since 1946, for the first time in history, the industry is selling more than a million water heaters annually.

Gas water heaters cost \$50-60 less to buy than electric heaters; \$50-60 less to install; and cost 22-70 percent less to operate, Mr. Williams said. In addition to this economy advantage, gas units are three times faster than electric and provide temperature control and selectivity which is not possible on competitive units. Despite these advantages, Mr. Williams said, sales of electric water heaters rose from 125,000 per year to a 1946 figure of over one million units. This success has brought a flood of competitive water heating promotion that is a real challenge to the gas industry. More sales manpower and aggressive, coordinated gas industry promotion are needed to meet this challenge, the

speaker declared. Mr. Williams concluded his stimulating talk by describing A. G. A. and GAMA advertising and promotional plans to spur gas water heater sales in 1950 and urged gas utilities to provide complete support at the local level.

Louis Ruthenburg, chairman of the board, Servel, Inc., Evansville, Ind., summarized the results of the "Flame of Freedom" Gas Refrigeration Contest which was conducted during the year by the A. G. A. Refrigeration Committee and Servel.

Reviewing prewar refrigeration sales contests, he noted that the highest registration reached then was in 1941 when 4,100 gas utility salesmen, representing 13 million domestic meters, participated. In the current campaign, 4,279 retail salesmen, representing 11,718,000 domestic meters, took part but only 1,930 were utility salesmen and the remainder were dealer salesmen. Salesmen entered in the campaign accounted for 98,208 retail refrigerator sales, Mr. Ruthenburg said, and sales for the third quarter at the close of the contest were favorable. This was an excellent showing in view of the transition to competitive selling, he stated.

Winners of the best performance awards in the "Flame of Freedom" sales campaign were introduced and congratulated by Mr. Ruthenburg who presented them with plaques. These men had just completed a five-day all-expenses-paid victory vacation flight to Mexico City, beginning in Evans-

ville and ending in Chicago.

B. H. Wittmann, manager, domestic sales department, The Peoples Gas Light and Coke Co., Chicago, was the only double winner, taking top awards for the highest total gas refrigerator installations and the greatest number of wholesale installations per 1,000 dwelling units. Winner for most retail installations in Division I was J. J. Deely, manager, new business department, The Brooklyn Union Gas Company.

Winners in the remaining six divisions for making the most retail gas refrigerator installations per 1,000 domestic meters were: Charles H. Wirth, district sales manager, The Ohio Fuel Gas Co., Columbus; James A. Wilson, Houston division manager, United Gas Corp.; William G. Barrar, Jr., West Virginia Heating and Plumbing Co., Charleston, W. Va.; J. J. Sheehan, sales manager, Southern Union Gas Co., Galveston, Texas; Carlyle Sweet, Peoples Water & Gas Co., Miami Beach, Fla.; and Robert H. Young, Oklahoma Natural Gas Corp., Stigler, Oklahoma.

A fascinating new full-color sound motion picture film entitled "New Freedom in Her Modern Gas Kitchen," produced by McCall's Magazine in cooperation with A. G. A. and the New Freedom Gas Kitchen Committee, was introduced by Mrs. Elizabeth Sweeney Herbert, household equipment editor of McCall's, and shown to an attentive audience. Mrs. (Continued on page 59)

*Chicago sessions tackle problems
of gas changeover and other vital issues*

Operating men view fundamentals

Operating men in the gas industry proved during the three sessions of the Technical Section in Chicago last month that they are increasingly aware of the problems involved during the present transitional period of changeover in type of gas served throughout many areas of the country. A wide variety of "meaty" addresses, reports and a panel discussion on use of existing plant equipment for high Btu oil gas production were followed with more than the usual amount of interest by hundreds of delegates representing all levels of the technical gas field.

Opening the first session on Tuesday afternoon, October 18, W. R. Fraser, Michigan Consolidated Gas Co., chairman of the Section, announced that the Technical Section has been renamed the Operating Section as a more descriptive title. Its future activities will include jurisdiction over all matters pertaining to gas and its by-products.

Glancing at the Section's record during the past year, Mr. Fraser noted that approximately 1,600 members of the group registered at 1949 spring conferences out of a total Section membership of 2,600 gas men. This strong showing indicates, he said, a remarkable interest and willingness to cooperate in the Section's work. He advised the group to exercise care in maintaining the full value of informal sessions.

A featured address which proved to be one of the outstanding events of the entire convention, was presented by Ernest R. Acker, president, Central Hudson Gas & Electric Corp., Poughkeepsie, and a past-president of the Association.

Speaking with the authority gained as first chairman of the PAR Committee's predecessor group, Mr. Acker presented a convincing argument for continued industrywide support of the PAR program.



Sectional top management: Ernest G. Campbell (left), The Peoples Gas Light & Coke Co., who will direct the Operating Section's activities during the new year, and W. R. Fraser, Michigan Consolidated Gas Co., outgoing chairman, who presided during convention at three Technical sessions



Gas production is their business: (Left to right) James P. Stephens, The Cincinnati Gas & Electric Co., chairman-elect, Gas Production Committee; Herbert C. Jones, New England Power Service Co., current chairman of the committee, and Charles L. Hulswit, president, Rockland Gas Company, Inc.



Headliners at Wednesday afternoon program: (Left to right) J. M. Pickford, Northern Indiana Public Service Co., chairman, Distribution Committee, who presided; G. B. Johnson, Minneapolis Gas Co., and W. C. Peters, Northern States Power Co., who discussed appliance simplification



Forum on common problems: (Left to right) Sidney E. Trouard, New Orleans Public Service Inc., chairman, Corrosion Committee; R. C. Holcombe, The

Philadelphia Electric Co., H. T. J.

He showed that the high caliber of executives staffing all PAR Plan committees assures that the gas industry's future is in good hands. Outlining past accomplishments under PAR, Mr. Acker singled out research for particular attention. Without a competent research program, solidly backed by all components of an industry, no business can continue to progress, he declared. (The text of Mr. Acker's address will appear in the next issue of the MONTHLY.)

Introducing a thorough report on Gas Production Committee activities during the past year, Chairman Herbert C. Jones, New England Power Service Co., Boston, called attention to the large number of important decisions which have to be made collectively before the advent of natural gas.

"Research, that certain something that must go on if we as an industry are to survive, requires patience, knowledge and money," he remarked. "Under the present setup, since the chairman of the Gas Production Committee automatically becomes a member of the Technical Advisory Committee of the Gas Production Research Committee, and the chairman of the Technical Advisory Committee becomes a member of the Gas Production Committee, the progress of gas production research receives the coordinated and combined attention of the two committees, a plan that works to the mutual benefit of both."

Conversion of a 530 Btu manufactured gas system to higher Btu manufactured gases at minimum customer ex-

pense, was discussed in detail by Hall M. Henry, vice-president, NEGEA Service Corp., Cambridge, Massachusetts. Known throughout the industry for his technical papers and his advanced thinking on the subject of high Btu gas, Mr. Henry rewarded his audience with a variety of helpful information.

A series of easy-to-follow slides outlined data and conclusions obtained from the experience of companies in the Massachusetts area on the effect of producing and distributing 660 and 951 Btu gases in place of a 528 Btu gas. The speaker himself singled out major points in a running commentary.

The following observations have been made, he said, based on operating experiences in the elevation of heating value of gas to 660 Btu:

- (1) A company need not experience any serious difficulty in raising the heating value to 660.
- (2) All existing appliances (with the exception of the gas refrigerator) now properly adjusted will operate satisfactorily on 660 Btu gas—those not properly adjusted can be adjusted for 660.
- (3) Gas refrigerators can be preadjusted so they will operate on either 528 or 660.
- (4) The cost of customer changes will probably run between \$1.25 to \$1.50 per meter.
- (5) The amount of the holder cost saving will depend on local conditions. For the companies listed the

savings varied from two to four cents per Mcf.

- (6) No capital expenditure is required.
- (7) Both plant and distribution capacities will be increased 25 percent.
- (8) Customer reaction is good.

Mr. Henry listed the following conclusions based on work in elevating gas heating value to 951 Btu:

- (1) Most of the existing appliances can be modified to perform satisfactorily on the higher Btu gas.
- (2) A few burners will need to be replaced.
- (3) Customer cost should not exceed \$12 and should be under \$10 per customer.
- (4) Plant investment costs will depend on existing conditions and whether the two-shell or four-shell heavy oil operation is installed. In any event it probably will not increase plant investments by 15 percent.
- (5) A production saving of from 15 to 20 cents per Mcf (including fixed charges) might well be realized.
- (6) Plant and distribution system capacities will be increased by 70-80 percent.

(Part I of Mr. Henry's paper, dealing with 660 Btu gas, is reprinted in this issue of the MONTHLY. Part II on 951 Btu gas will appear in the December 1949 MONTHLY.)

Different ways of using existent equipment for high Btu oil gas production were considered in detail by an interesting panel discussion. G. J. McKin-

non, C. Subcom, pating, B. M. Washi, Michi, troit; Electri, more, Electr, Mr. conver, Btu o, for p, stand, inter, then, ferent, count, curren, Mr. erator, tively, shell, erator, intere, up to, Sp, fired, the a, pany, This, carb, erator, sive, Oper, satis, many, been



Philadelphia Gas Works Co.; G. R. King, Philadelphia Electric Co., chairman, Purging Committee; H. T. Jayne, The Philadelphia Gas Works Co.



High Btu oil gas panel: (Left to right) B. M. Keys, Washington Gas Light Co.; G. T. Bentley, Michigan Consolidated Gas Co.; G. J. McKinnon, subcommittee chairman and panel leader; R. H. Arndt, Consolidated Gas Electric Light and Power Co. of Baltimore; J. W. Carroll, Philadelphia Electric Co.

non, chairman, A.G.A. High Btu Gas Subcommittee, was panel leader. Participating in the group discussion were: B. M. Keys, Washington Gas Light Co., Washington, D. C.; G. T. Bentley, Michigan Consolidated Gas Co., Detroit; R. H. Arndt, Consolidated Gas Electric Light and Power Co. of Baltimore, and J. W. Carroll, Philadelphia Electric Company.

Mr. McKinnon told the delegates that conversion of present equipment to high Btu oil gas provides an efficient means for peak load control and for emergency standby production while utilizing present plant equipment. Panel members then discussed important phases of different methods which have probably accounted for most of the high Btu oil gas currently used in the U. S.

Mr. Bentley showed how a twin generator oil-fired set can be developed relatively easily from the standard three-shell water gas machine. The twin generator set can produce a gas which will interchange, he said, with natural gas up to 25-30 percent in value.

Speaking of the single generator oil-fired set, Mr. Keys showed how most of the apparatus formerly used by his company was employed in this conversion. This change from a standard three-shell carburetted water gas set to a single generator oil-fired set was the least expensive conversion possible, he declared. Operation of the new set has proved very satisfactory, and in an emergency as many as 12 of the 14 existing sets have been operated simultaneously.



Informal conference on Thursday: (Left to right) A. B. Lauderbaugh, The Manufacturers Light and Heat Co.; Philip S. Parker, Stacey Dresser Engineering Co., convention speaker, and F. E. Vandaveer, The East Ohio Gas Co., chairman, Chemical Committee, who reported on 1949 activities



Crusading for standardization: James L. Coyne (left), Rochester Gas & Electric Corp., chairman-elect, Motor Vehicle Committee, with F. M. Rudman, Michigan Consolidated Gas Co., chairman

The Hall regenerative oil gas process was analyzed in detail by Mr. Arndt. This particular process, a development of A.G.A. Gas Production Research Committee under the sponsorship of Edwin L. Hall, has resulted in greater savings than with any other process for continuous operation.

The first machine was installed near Baltimore late in 1947, he added, and tests were started in the spring of 1948 by completely isolating the unit. These tests have proved conclusively, he declared, that high carbon oils can be used economically in the Hall regenerative process with only some minor trouble due to ash accumulation on the checkerbrick in the generator.

Mr. Carroll's discussion showed how his company handles an unusually diversified variety of gases. He briefly summarized recent developments in high Btu oil gas operations and suggested that additional research be devoted to oil evaluation work. More study is required, he said, to determine the most suitable oil for each situation involved.

Propane-air combined with high Btu oil gas is another possible method of

operation which should receive further attention, he remarked. It is still not possible to say definitely that high Btu oil gas is the VERY best answer, he said, as there are a number of promising processes which should be studied further.

"When we do examine any of these new processes," he said, "let's also look closely at our own over-all balance sheets."

A discussion of Distribution Committee activities by the chairman, J. M. Pickford, Northern Indiana Public Service Co., Hammond, Ind., opened the Wednesday afternoon technical meeting. Distribution men consider that the safety of employees is a matter of primary importance, he said.

Concentrated study is needed, Mr. Pickford remarked, on methods for reducing costs of labor and materials and for means of adequately solving evermore-complex labor problems. He also recommended further work on problems in consumer premises, safety, training programs, and the design of advanced distribution systems.

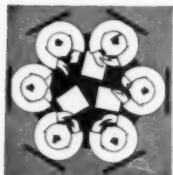
A clarion call for simplification of the multitudinous parts of modern gas ap-

pliances was voiced in the next presentation. G. B. Johnson, Minneapolis Gas Co., and W. C. Peters, Northern States Power Co., St. Paul, Minn., combined to present one of the most stimulating and novel events on the Section's calendar—a picture and narration describing problems in appliance simplification and their effect on costs.

With the increasing changeover to automatic gas appliances and the resultant increase in service calls, there is a crying need, the speakers declared, for simplification which will make the serviceman's job easier and more efficient.

Reporting on answers to a questionnaire made during the 1949 Distribution Conference, the speakers added that majority opinion in the Section feels that special action is needed now on appliance simplification.

As the next feature on the program, activities of the Motor Vehicle Committee were summarized by the group's chairman, F. M. Rudman, Michigan Consolidated Gas Company. Events of the year include, he said, the designing of a small gen- (Continued on page 60)



Industrial relations round-table

*Prepared by
A. G. A. Personnel Committee*

● "Supervisor's Management Guide" is a new book published by American Management Association designed to help supervisors improve human relations in business. Prepared by operating executives and specialists, the book contains case histories and outlines of supervisory programs from various types of industries. A list of recommended books on this subject is included together with a brief description of each. Copies may be obtained from AMA, 330 W. 42 Street, New York 18, N. Y. Price is \$3 for members and \$3.50 for non-members.

● Paternity leave is provided for in a new contract between the Newspaper Guild (C.I.O.) and New York City's leftist weekly, National Guardian. Father gets a week off when mother and baby come home from the hospital so that he can help with housework, dirty dishes, diapers.

● "Managing Your Talk," an article by Cloyd S. Steinmetz, director of training for Owens-Corning Fiberglas Corp., appears in the September issue of Personnel (AMA). Mr. Steinmetz has summarized in brief para-

graphs ways in which speakers can make their messages more impressive. The points he raises are interesting and worthwhile. Even though some of them are not necessarily new, the way in which he presents his viewpoints as well as the repetition of the better known techniques are profitable reminders on how to more effectively influence listeners.

● Part-time supervisors who act as such only one or two days a week are ineligible to vote in employee representation elections according to a majority ruling of National Labor Relations Board in a recent decertification election case involving Texas Company and AFL Operating Engineers. It has formerly been held that an employee must act as a supervisor more than 50 percent of his time in order to be disqualified from voting in NLRB elections. Dissenting members of the Board feel that it is unwise to abandon the 50 percent rule in favor of a vague formula which may be difficult to apply and which they think will often cause injustice.

● Treatment of head colds with antihistaminic drugs was covered in two significant articles appearing in the May 1949 is-

sue of Industrial Medicine. One was written by Dr. Halstead J. Murray, Dennison Manufacturing Co., and the other by Captain John N. Brewster, USN.

● Companies with union contracts containing specified trial work periods in filling job vacancies must determine whether or not an employee can adequately fill a job within such a period. This was the decision of Arbitrator Byron R. Abernathy in a recent case involving Columbian Carbon Company. In this case, two employees bid on a job vacancy and the senior employee was given the job, but after four months the company decided that he was not qualified and returned him to his former job. The company held that the man should work 15 consecutive days on each type of work involved in the job, but the arbitrator stated that this interpretation could result in an indefinite extension of the trial period which is contrary to the meaning of trial periods. In this case the trial period was limited by the union contract to 15 days and the arbitrator ruled that the company has only that amount of time in which to arrive at its decision as to the qualification of the employee for that job.

Manufactured gas

(Continued from page 21)

use, they will be as useless as the well known cement bath sponge."

Planning for system operation by long and short-term forecasting was the subject covered by John B. Boniface, Public Service Electric & Gas Co., Newark.

The first step in forecasting is to establish a suitable base from which to work, he stated. Possibly the corner-stone of this foundation is the temperature-sendout curve.

"In order to eliminate the personal element in the plotting of curves, the method of least squares was tried, and found eminently satisfactory," he remarked. "The method of least squares determines a curve, which, according to the equation selected, mathematically represents all the points of a given set of data, giving to each pair of points equal weight. We investigated two curve forms, and finally concluded that a straight line equation was best adapted to the usually available data. The equation was of the form of $s = a + bt$ where "s" equals the sendout and "t" equals average or mean temperature for the day."

"By the installation of flow meters on certain major interconnecting mains, we have been able," he said, "to subdivide our total sendout and get three curves, which are somewhat more useful than a single curve for the entire company."

Mr. Boniface showed, using slides, that with the general acceptance of gas space heating and the consequent changes in the gas business, that the average sendout per day calculated from reported sales for a given class of business could be plotted against the equivalent temperatures of the sales month. A very useful curve was obtained, particularly for space heating. However, as the temperature for a sales month rarely went below 30° F, and as the company's design temperature is 0° F for a 24-hour average, extrapolation was required.

Delegates showed unusual interest in the final event on the afternoon's program—a panel discussion on experience with natural gas in manufactured gas distribution systems. R. J. Rutherford, vice-president, Worcester Gas Light Co., Worcester, Mass., acted as moderator.

The following panel members participated: Lester J. Eck, vice-president and assistant general manager, Minneapolis Gas Co.; W. R. Fraser, Michigan Consolidated Gas Co., and chairman,

A. G. A. Technical Section; Martin I. Mix, operating engineer, The Peoples Gas Light & Coke Co., Chicago; Howard B. Noyes, vice-president, Washington Gas Light Co., Washington, D. C. Three of the companies represented are now serving straight natural gas and the other, a mixed gas.

A series of prepared questions and queries by members of the audience produced valuable information on operating experience. On the question of preparing for the introduction of natural gas, all four panel members offered their suggestions.

It was emphasized that though many preliminary steps should be taken, there is no one formula for all situations. It is vitally important, one panel member declared, that any company expecting natural gas should carefully study its own system beforehand so that the new gas can be properly used. The first thought in this study should be pressure.

It probably will be found that the company's present pumping equipment will not be of much use with natural gas and a revamping will be required. District regulator equipment may be adequate but often should be reconditioned.

The panel also emphasized that particular pains will have to be exercised in the field of proper leak detection as a result of the new odor of natural gas. Each company will also have to decide at an early date what type of changeover it will make and personnel will have to be carefully trained to recognize the characteristics of the new gas. In some cases, it will be necessary to watch domestic meters very carefully.

The subject of conditioning the new natural gas elicited considerable discussion. One panel member declared that his company started fogging mains before the natural gas arrived. This company has not experienced any dust troubles but cannot report definitely that this is due to fogging. Oiling of meter diaphragms was suggested as a helpful practice.

In northern areas, reported one panel member, when frost reaches the mains each winter, the humidification steam must be turned off. Considerable difficulty has been experienced, he added, in finding an odorant which will not be absorbed by the ground.

This same company cleans its natural gas with a scrubber as soon as it is received from the transmission system.

One member of the panel suggested

that dust removers on the inlet of a gas system are advisable.

Another company's experience included the injection of one and a half gallons of oil per million cubic feet of natural gas. About 35 percent of this oil was reclaimed, but the remainder was noticeable in the distribution belt lines for about 30 miles. Practically no oil droppage was noticed for the low pressure system or the meters.

Gum problems were discovered by at least one of the four panel members. The consensus of opinion was that oils should be very carefully selected.

Other questions tackled concerning the advent of natural gas included: Effect on meter change requirements; experience with organic sulfur, and experience with unaccounted for. The panel as a whole declared that unaccounted for, following the introduction of natural gas, has been very small percentage-wise. It was agreed, however, that strenuous efforts should be made to reduce unaccounted for to an even more impressive low.

Delegates elected George F. Mitchell, president, The Peoples Gas Light & Coke Co., as chairman of the Managing Committee of the Manufactured Gas Department. Selected as committee members were: E. G. Boyer, Philadelphia Electric Co.; Stuart Cooper, president, Delaware Power & Light Co., Wilmington, Del.; E. W. Doebler, vice-president and general operating manager, Long Island Lighting Co., Mineola, N. Y.; Leo H. East, Rochester Gas & Electric Corp., Rochester, N. Y.; Harland C. Forbes, vice-president, Consolidated Edison Co. of New York, Inc.

Also N. Henry Gellert, president, Seattle Gas Co., Seattle, Wash.; Ansel B. Huyck, The Brooklyn Union Gas Co.; T. J. Kelly, Northern Indiana Public Service Co., Fort Wayne, Ind.; Karl B. Nagler, vice-president, The Peoples Gas Light & Coke Co.; B. V. Pfeiffer, The United Gas Improvement Co., Philadelphia, Pa.; Robert H. Philipps, Jr., Public Service Electric & Gas Co., Newark, N. J.; John V. G. Postles, vice-president, The Philadelphia Gas Works Co., Philadelphia, Pa.; R. J. Rutherford, vice-president, Worcester Gas Light Co., Worcester, Mass.; E. J. Tucker, vice-president and general manager, The Consumers' Gas Co. of Toronto, Toronto, Canada; John H. Wolfe, Consolidated Gas Electric Light and Power Co. of Baltimore, Baltimore, Maryland.

Industry news

Gas company reports win national honors

A SILVER "OSCAR OF INDUSTRY" trophy for the best annual report in the public utilities field was presented Monday, October 31, to Philadelphia Company.

Voted second best in the public utilities category was the annual report of The Peoples Gas Light & Coke Co., Chicago, which also received a bronze "Oscar" as the best report in the manufactured gas competition. Citizens Utilities Co., Greenwich, Conn., received third ranking in the public utilities field. A bronze award for the best natural gas company report was presented to Panhandle Eastern Pipe Line Co., Kansas City, Missouri.

The occasion was the 1949 Financial World award banquet in New York City commemorating completion of the magazine's ninth survey of annual reports in 100 industrial classifications.

Top honors for the best annual report advertisements of all public utilities went to: First place—The Columbia Gas System, Inc., New York, N. Y.; second—Pacific Gas & Electric Co., San Francisco, Calif.; third—Southern Natural Gas Co., Birmingham, Alabama.

Other "best of industry" winners in the manufactured gas, natural gas, and "public

utilities" categories were listed on page 7 of the October 1949 A. G. A. MONTHLY. Completing the array of "merit award" winners named in that article are the following natural gas companies: Oklahoma Natural Gas Co., Tulsa, Okla.; Rio Grande Valley Gas Co., Brownsville, Texas; The Shamrock Oil & Gas Corp., Amarillo, Texas; Southern Natural Gas Co., Birmingham, Ala., and Tennessee Gas Transmission Co., Houston, Texas, both previous winners of bronze "oscar of industry" trophies; Texas Eastern Transmission Corp., Shreveport, La.; Texas Gas Transmission Corp., Owensboro, Ky.; United Gas Corp., Houston, Texas, another previous winner of a bronze "oscar."

In the public utilities classification, the following companies associated with the gas industry received "merit award" ratings: (first, second and third-place winners in this field were listed last month):

Eastern—Central Hudson Gas & Electric Corp., Poughkeepsie, N. Y.; The Connecticut Light & Power Co., Hartford, Conn.; Consolidated Edison Co. of New York, Inc., New York, N. Y.; Consolidated Gas Electric Light & Power Co. of Baltimore, Baltimore, Md.; Delaware Power Light Co., Wilmington, Del.; The Derby (Conn.) Gas & Electric Co.; Jersey Central Power & Light Co., Asbury Park, N. J.; Long Island Lighting Co., Mineola, N. Y.; Monongahela Power Co., Fairmont, W. Va.; New England Electric System, Boston, Mass.; New England Gas & Electric Association, Cambridge, Mass.; New York State Electric & Gas Corp., Ithaca, N. Y.; Niagara Hudson Power Corp., Syracuse, N. Y.; Pennsylvania Electric Co.; The Potomac Edison Co., Frederick, Md.; Public Service Electric & Gas Co., Newark, N. J.; Rochester Gas & Electric Corp., Rochester, N. Y.; Scranton-Spring Brook Water Service Co., Scranton, Pennsylvania.

Midwestern—Central Illinois Light Co., Springfield, Ill.; The Cincinnati Gas & Electric Co., Cincinnati, Ohio; Consumers Power

Co., Jackson, Mich.; The Detroit Edison Co., Detroit, Mich.; Interstate Power Co., Iowa Electric Light & Power Co., Cedar Rapids, Iowa; Iowa Southern Utilities Co., Centerville, Iowa; The Kansas Power & Light Co., Topeka, Kans.; Lake Superior District Power Co., Ashland, Wisc.; Louisville Gas & Electric Co., Kentucky; Michigan Gas & Electric Co., Three Rivers, Mich.; Montana-Dakota Utilities Co., Minneapolis, Minn.; National Gas & Electric Corp., New York, N. Y.; The North American Co., New York, N. Y.; Northern Indiana Public Service Co., Hammond, Ind.; Northern States Power Co., Wilmington, Del.; Northwestern Public Service Co., Huron, S. D.; Southern Indiana Gas and Electric Co., Evansville, Ind.; Wisconsin Gas & Electric Co., Racine, Wisc.; Wisconsin Michigan Power Co., Appleton, Wisc.; Wisconsin Power & Light Co., Madison, Wisc.; Wisconsin Public Service Corp., Milwaukee, Wisc.

Southern—Louisiana Power & Light Co., New Orleans, La.; Mississippi Power & Light Co., Jackson, Miss.; South Carolina Electric & Gas Co., Columbia, S. C.; Virginia Electric & Power Co., Norfolk, Virginia.

Southwestern—Central Arizona Light & Power Co., Phoenix, Ariz.; Community Public Service Co., Fort Worth, Texas; Gulf States Utilities Co., Baton Rouge, La.; San Diego Gas & Electric Co., San Diego, Calif.; Southwestern Public Service Co., Amarillo, Texas.

Western—California-Pacific Utilities Co., San Francisco, Calif.; The Montana Power Co., Butte, Mont.; Mountain States Power Co., Albany, Ore.; Pacific Lighting Corp., San Francisco, Calif.; Pacific Public Service Co., San Francisco, Calif.; Public Service of Colorado, Denver, Colorado.

Rockwell Manufacturing Co., Pittsburgh, Pa., received a bronze "oscar of industry" trophy for the best 1948 annual report in the metal products industry. The company won a similar award in a previous survey.

Brooklyn Borough opens new showrooms



Walter M. Jeffords Jr., (left), president, Brooklyn Borough Gas Co., chatting with Jessie McQueen, A. G. A. home service counsellor, and Charles Hauserman, American Stove Co., during formal opening of new showrooms. Background is one of three New Freedom Gas Kitchens which are on display

NUMEROUS utility and manufacturer company representatives attended the formal opening of new A & B Range Service Showrooms in Brooklyn, N. Y., on Friday, October 7. Walter M. Jeffords, Jr., president, Brooklyn Borough Gas Co., gave particular praise to three New Freedom Gas Kitchens displayed in showrooms located in the utility's Kings Highway office.

"We believe," he said, "that this type of merchandising, through dealers who will conform with the gas industry's high standard of quality, is in the public interest. A modern gas kitchen is the pride of the modern homemaker who wants and should have the most efficient equipment for the preparation of her family's food."

Other executives of Brooklyn Borough Gas Company who joined in the ceremony were: Karl B. Weber, vice-president; Mrs. Helen Steers, treasurer; Philip Baas, secretary; Stephen Dillon, controller, and Francis X. Woodman, branch manager.

Consolidated Edison host to A.G.A. group

CONSOLIDATED EDISON CO. OF NEW YORK, INC. was host to members of American Gas Association's Accident Prevention Committee on September 20, the second day of that group's meeting in New York City.

The Committee spent the entire morning at Consolidated Edison's main offices in Manhattan and heard company speakers highlight various phases of Consolidated Edison's industrial safety and accident prevention program.

The company's resuscitation program, types of masks and equipment used, personnel training methods and field procedures in emergencies were outlined by J. A. McCarthy, assistant manager, resuscitation and allied matters department.

Among the items discussed by Mr. McCarthy was the Chemox gas mask, which Consolidated Edison emergency men and production personnel in gas and electric stations currently are being trained to use. This mask weighs thirteen and a half pounds and is fully self-contained. It generates its own oxygen supply and affords the wearer maximum freedom of movement for at least 45 minutes in oxygen-deficient areas.

All other speakers were members of the safety bureau of Consolidated Edison's Insurance Department. Topics included: "Fire Prevention and Control," by W. J. O'Rourke; "Safety Engineering and Inspection," by G. W. Elg and "Industrial and Automobile Safety Education," by E. R. Culp.

William F. Brown, the committee's outgoing chairman and safety director of Consolidated Edison, outlined briefly the company's over-all safety policies.

Examples of forms, reports, procedures and training manuals and procedures used at Consolidated Edison by the safety bureau were distributed to committee members at the close of the morning's session.



A. G. A. Accident Prevention Committee luncheon at Consolidated Edison Co. of New York, Inc., during recent two-day meeting: (Seated, left to right) B. H. Kinzer, G. W. Elg, A. G. King, A. G. A.; G. Ruoff, H. T. Jayne, G. R. King, P. L. G. Hasskarl, W. F. Brown (chairman), W. K. Newell, S. Engel, W. Vance, W. J. Huff, E. S. Beaumont, E. R. Culp, A. H. Doud, W. R. O'Rourke, A. L. Dowden; (standing, left to right) E. C. Baumann, G. A. S. Cooper, B. Byrnes, C. W. Fuller, H. P. Allen, C. G. Segeler, A. G. A.; A. E. Erickson, G. MacDonald, W. H. Adams, W. T. Rogers, T. R. Kelsh, R. A. Huntington, N. P. Johnson, D. B. Wescott, D. C. Stewart and J. A. McCarthy

John Stilwell, Consolidated Edison vice-president, was host at a luncheon for the Committee. In his remarks, Mr. Stilwell paid tribute to the accomplishments of the American Gas Association's Accident Prevention Committee through the years, which he cited as largely responsible for the present downturn in gas industry accidents.

Present at the luncheon in addition to Mr. Stilwell, W. F. Brown, and various Consolidated Edison representatives, were W. K. Newell, assistant to Mr. Stilwell and assistant secretary of Consolidated Edison; P. L. G. Hasskarl, safety engineer, Pennsylvania Power Co., and in-coming committee chairman; A. L. Dowden, safety engineer, Liberty In-

surance Fire Insurance Co., who showed a short film during the morning session, and A. Gordon King, permanent committee secretary.

Following the luncheon, the group was taken by bus to Consolidated Edison's Hunts Point gas plant for a thorough two-hour tour and inspection of plant facilities and safety procedures. Included was a display of safety equipment set up at the water gas plant. F. B. Cadmus, assistant manager, gas production, accompanied the group to Hunts Point where they were met by T. G. Weber, general superintendent. Conducting the tour were F. E. Ceccarelli, assistant superintendent, V. Salzone, A. R. Collard and F. R. Wadleigh.

Appliance requirements approved by ASA

NEW REQUIREMENTS for seven classes of gas equipment, adopted by American Gas Association's Approval Requirements Committee, have been approved by American Standards Association, Inc. All become effective on January 1, 1950.

The new standards are now being printed for distribution in published form. They cover domestic gas ranges, water heaters, room heaters, incinerators, hot plates and laundry stoves, gas hose for portable appliances, and gas valves.

The room heater standards are a revision of the current space heater requirements. Their new title covers more appropriately the functioning of such appliances and avoids confusion with new types of appliances which are appearing on the market.

Get acquainted with your Laboratories

WHAT YOU SHOULD KNOW ABOUT YOUR LABORATORIES is the title of a new publication published by American Gas Association Testing Laboratories.

Prepared for the information of those using Laboratories facilities, the booklet explains clearly and concisely the way in which self-regulation is accomplished through the medium of voluntary national gas appliance standards. Principal details of the Association's approval program are presented. Testing

and inspection policies are outlined and regulations covering submission of equipment for approval are explained. The new text provides answers to many questions frequently asked by persons wishing to secure approval of their equipment.

A second publication, "Manual of Organization and Procedure for A. G. A. Requirements Committees," sets forth detailed procedures followed in the formulation of stand-

ards and rules governing organization and operation of the responsible Association committees. Issued in a revised edition, it includes an organization chart showing relationships of the various interested committees with each other and with American Standards Association, Inc.

Both of these publications may be obtained from A. G. A. Testing Laboratories, 1032 East 62 St., Cleveland 3, Ohio, upon request.

Birmingham gets modern gas service center



Exterior view of the new center which serves as headquarters for the company's operating forces in Birmingham. The half-million dollar structure contains 45,000 square feet of floor space



General view of central repair room in Alabama Gas Corporation's modern new meter shop in Birmingham. Complete facilities are available to handle approximately 40,000 gas meters a year

MAXIMUM SERVICE to customers and modern working conditions for employees of Alabama Gas Corporation are assured by a new half-million dollar service center which the gas company opened recently in Birmingham, Alabama. The structure serves as headquarters for the gas company's operating forces in that city.

Erected on half of a four-block tract, the remainder of which is reserved for future expansion, the center is of brick, steel and concrete construction and contains 45,000 square feet of floor space. One feature is a scientifically planned meter shop designed to handle a peak load of approximately 40,000 meters a year. Facilities include, in addition to the central repair room, two prover rooms where incoming and outgoing meters are tested, a paint room, storeroom, and a separate workshop for the repair of gauges and other apparatus.

Housed in the main building of the center are the meter shop, quarters for the distribution office, a warehouse for appliances, materials and supplies, the engineering department, a laboratory, lunchroom, lockers and showers. A center of activity is the central dispatching room where service orders are received and dispatched to service cars and trucks by telephone and radio.

A garage in a separate building contains complete facilities for maintaining the company's fleet of vehicles, air compressors, water pumps and other items of maintenance and construction equipment. Space is provided around the center for open storage, pipe and large fittings, and for parking.

Located close to the geographical center of the company's Birmingham service area, the new gas service center building is an outstanding testimonial to the advantages of modern planning and foresight.

Award winners

(Continued from page 12)

were put on in the high schools of the Johnstown, Pa., area.

Miss Marvin received one of the awards for her program of varied activities in The Manufacturers Light & Heat Company's home service center.

Mrs. Patison was given the award on the basis of a study course in food and equipment for parent-teacher's clubs.

The second annual A.G.A. Progress Award for Gas Summer Air Conditioning, sponsored by Servel, Inc., was presented to Houston Natural Gas Corp., Houston, Texas, for the greatest contribution during the year to the advancement of gas summer air conditioning.

A check for \$1,000 and a plaque were presented to the company. In addition, gold-plated replicas of the plaque were given to L. L. Ladewig, manager of the air conditioning department during the

past year, and 28 other members of Houston Natural Gas Corporation.

An aggressive, well-rounded merchandising program which resulted in the sale of 228 all-year gas air conditioning units during the previous year won top honors for the Houston company. Unlike many other gas utilities, the company's air conditioning activities were organized into one self-contained department. Salesmen with engineering backgrounds receive intensive air conditioning training, locate, screen and develop prospects and make follow-up post-installation calls in a continuous sales effort.

A pioneer in the early development, field testing and active promotion of gas all-year air conditioning, the company's president, Frank C. Smith, has given personal direction to the program.

Two operating units of The Ohio Fuel Gas Company received A.G.A. Merit Awards for their achievement in

accumulating one million or more man-hours of work without a disabling injury accident. This is the second successive year that the Ohio utility has won this national recognition.

The respective divisions which won this national recognition are:

Distribution District No. 1 of Toledo, Ohio, whose 348 employees have established a work record of 1,004,730 hours from March 12, 1948 to August 31, 1949, without a disabling injury.

Distribution District No. 6 of Columbus, Ohio, whose 410 employees have worked a total of 1,442,602 hours from October 16, 1947 to June 9, 1949, without a disabling injury.

The awards were recommended by the Association's Accident Prevention Committee, W. F. Brown, chairman, and approved by the awards committee consisting of W. L. Alexander, Newark, chairman; W. T. Rogers, New York, N. Y., and H. T. Jayne, Philadelphia.

A.G.A. publishes Rate Committee annual report

TWO PREVIOUSLY UNPUBLISHED customer load studies and briefs of several cost analyses are featured in the first postwar publication of the annual report of the Association's Rate Committee. Following announcement of its completion by Robb Quinby, chairman of the committee, the report received initial distribution at the A. G. A. convention.

The report covers a diversity of subjects which were considered by the committee during 1949. Included are subcommittee reports on several of the subjects: Subcommittee on Customer Load Characteristics—a report on the general method of conducting load studies,

reports on three completed studies, and a comprehensive bibliography; Subcommittee on Cost Analyses—briefs of cost analyses which have been presented before regulatory bodies and a comprehensive bibliography; Subcommittee on Rate Changes—summarized reports on the reason, nature, and effect of rate changes for all companies reporting to the A. G. A. Rate Service; Subcommittee on Rate Adjustment Clauses—an analysis of the automatic rate adjustment clauses now in operation; Subcommittee on Standard Form of Government Contract—a progress report on the draft of a standard form of contract which

would be acceptable to all the government agencies.

Other subjects considered by the committee were space heating rates, proof of value of service, simplification of rates, Federal Power Commission rules and regulations, and rate developments in general. The problems under each of these subjects, as well as the more important conclusions reached, are also discussed in the committee's annual report.

The report is being distributed to all gas, holding, and service company members of A. G. A. Additional copies are available from Association headquarters at \$1.00 per copy to members and \$2.00 to non-members.

Gas range shipments spurt in August

A SHARP REVERSAL of previous monthly trends in gas range shipments was noted for August 1949 when shipments jumped 64 percent over the total for July, reflecting a major improvement in business conditions and the effectiveness of the gas industry's coordinated nationwide promotional campaign. Gas range shipments reported by the Gas Appliance Manufacturers Association were 187,000 units in August as compared with 113,900 in the previous month.

While August sales normally are greater than July, the increase this year is three times the rate of most previous years. A year ago the increase from July to August was 23 per-

cent while the prewar average rise (1936 to 1940 inclusive) was 21 percent.

Since competitive range sales failed to keep pace with the gas industry's gains, part of the industry's success can be credited to early results of the Old Stove Round Up promotional campaign sponsored throughout the country by American Gas Association. Immediate objective of this campaign is to sell a million gas ranges.

To date nearly 400 gas utilities, 62 manufacturer members of Gas Appliance Manufacturers Association, and in the neighborhood of 100,000 gas range dealers have begun or

are planning an all-out effort to create mass sales of modern gas ranges by means of the Round Up.

Regional and local gas industry groups throughout the country are adopting the theme of the Old Stove Round Up and coordinating their sales efforts with the A. G. A. program. Among those organizations building aggressive campaigns in concert with the A. G. A. Round Up are Pacific Coast Gas Association, New England Gas Association, Southern Gas Association, Mid-West Gas Association, and Gas Appliance Societies of California and Oregon.

1949 domestic range sales estimated

DOMESTIC gas range sales during the calendar year 1949 are expected to total 1,750,000 units, according to a recent report by Edward R. Martin, chief statistician, Gas Appliance Manufacturers Association. This means that 1949 will account for the lowest annual total since the end of the war. Unit sales of domestic gas ranges were as follows:

1946	1,800,000
1947	2,390,000
1948	2,750,000
1949	1,750,000 (estimated)

These sharp decreases in unit sales are not limited to domestic gas ranges. For example, electric range sales have been running far behind last year's pace, and present indications are that shipments during the 12 months of 1949 will amount to about one million units as compared with 1,600,000 in 1948.

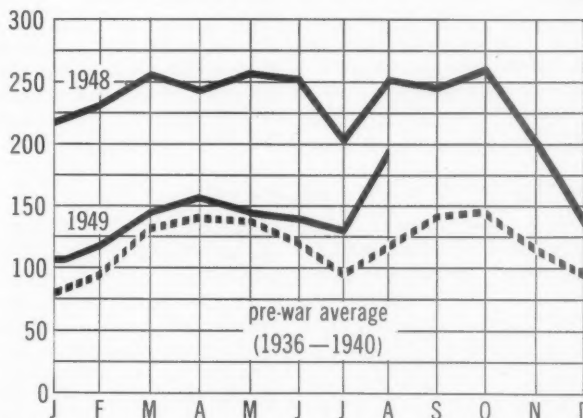
Of particular interest is the industry's adherence during the first six months of 1949 to the prewar sales curve (see accompanying chart). Until June, unit shipments followed an identical, though slightly higher pattern. In June, however, the 1949 curve tended to move upward, and progressively, through July and August improved its position.

It appears, Mr. Martin stated, that steadily increasing shipments, coupled with other statistical trends, will result in increased gas range sales during the balance of this year and further improvement in the domestic gas range field during 1950.

SHIPMENTS OF DOMESTIC GAS RANGES

IN THOUSANDS OF UNITS

expanded to represent 100% of the industry



Three advanced at Consolidated Edison

THREE PROMOTIONS have been made by Consolidated Edison Co. of New York, Inc., as part of a general reorganization of the company's commercial relations department which was announced recently by R. B. Grove, vice-president.

Frederic J. Porter, Jr., has been appointed commercial manager in charge of customer relations and staff operations of the commercial relations department. C. L. Havener has been advanced to the new position of manager of Brooklyn retail accounts at the company's Pearl Street office. Another new position, assistant general commercial manager, has been filled by John J. McNamara.

Mr. Porter's new duties are an enlargement of his responsibilities of the past few years,

during which he has specialized in organizing and directing customer contact operations, particularly as related to operations of the 28 district offices. Active for several years on industry committees, Mr. Porter served as chairman for the 1948-49 Customer Relations Committees of American Gas Association and Edison Electric Institute.

Mr. Havener has been active on A. G. A. and EEI committees and is currently chairman, A. G. A. Customer Collections Committee. He has been floor supervisor at Consolidated Edison since December 1936.

Mr. McNamara for several years has directed phases of the commercial relations department's activities as system commercial manager. In his new assignment, he will di-



F. J. Porter, Jr.



C. L. Havener

rect commercial operations on a department-wide basis under Joseph F. Rooney, the company's general commercial manager.

Personal and otherwise

Consolidated Natural elects

ALBERT HORNE BURCHFIELD, JR., prominent Pittsburgh resident, was elected a director, Consolidated Natural Gas Co., at a board meeting in New York on Wednesday, October 5.

Mr. Burchfield, a director, president and general manager of Joseph Horne Company in Pittsburgh, and chairman of the board, Pittsburgh Branch of Cleveland Federal Reserve Bank, succeeded J. D. Berg, the late

chief executive officer of Dravo Corp., as a Consolidated director.

Consolidated Natural Gas Company owns The Peoples Natural Gas Co., serving homes and industries in Western Pennsylvania; Hope Natural Gas Co., a producing company in West Virginia; The East Ohio Gas Co., serving Cleveland and other Ohio towns; and New York State Natural Gas Co., which wholesales gas in Western New York state.

Brown elected Milwaukee vice-president

MILWAUKEE GAS LIGHT CO., Milwaukee, Wisc., has elected Dudley B. Brown a vice-president, director and assistant to the president to help effect the company's conversion from manufactured to natural gas. Mr. Brown is a director of American Natural Gas Co., formerly American Light and Traction Co., parent organization of Milwaukee Gas Light.

He joined the Milwaukee utility from

Michigan Consolidated Gas company where he made an intensive study of the many phases of natural gas distribution. He has served as a director of the parent company since 1938 and has gained an extensive knowledge of the natural gas business.

The new vice-president studied at Harvard Graduate School of Business Administration following his graduation from Harvard College. Afterwards he studied at Geneva School

of International Studies in Geneva, Switzerland.

Following his service during the war, Mr. Brown became vice-president of Aircraft Service Corp., New York, N. Y., and Miami, Florida. Some time later he served in the position of president and treasurer of Bay Colony, a sales organization affiliated with Aircraft Service Corporation.

East wins promotion in Rochester

PROMOTION of Leo H. East from general superintendent of gas operations to general manager of gas and engineering operations, Rochester Gas & Electric Corp., Rochester, N. Y., has been announced by Alexander M. Beebe, president.

Mr. East recently celebrated his twenty-fifth anniversary with the Rochester utility. His department will now include engineering and purchasing. With his latest promotion, he joins company officers on the utility's management council which plans and directs

various company operations.

Mr. East is currently active in American Gas Association as a member of the managing committees of the Technical Section and the Manufactured Gas Department.

Obermeyer takes New York advertising post

HENRY OBERMEYER, director of advertising, Consolidated Edison Co. of New York, Inc., has resigned to become vice-president, Bozell & Jacobs advertising agency, with offices in New York City.

Mr. Obermeyer has been prominent in organized advertising and in the public utility industry for more than 25 years. As chairman of the Publicity and Advertising Committee of American Gas Association, he was instrumental in launching the Association's national advertising program.

Mr. Obermeyer gained his start in the

utility business as an editor of A. G. A. MONTHLY. He joined Consolidated Gas Company in 1926 as a copy writer, and was shortly made responsible for its advertising operations. When the electric and gas companies of the Consolidated System later merged, he was placed in charge of the combined departments as assistant vice-president of Consolidated Edison.

He has won many national honors over the years for the advertising produced under his direction. Most recently his work won top

rating in its classification in the annual contest of the Direct Mail Advertising Association. Last year, his department received Financial World magazine's best-of-all-industry "oscar" for a newspaper advertisement based on Consolidated Edison Company's annual report.



Henry Obermeyer

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ISSUE

Geyer honored for A.G.A. committee work

IN APPRECIATION of "his devoted service and inspiring leadership" as chairman since 1941 of American Gas Association Subcommittee on Approval Requirements for Gas Water Heaters, H. W. Geyer, Southern Counties Gas Company gas utilization engineer, was recently presented with an engraved testimonial signed by the 12 members of his committee.

Due to added responsibilities in Southern Counties' customer service department activities, Mr. Geyer found it necessary to resign his chairmanship of the A. G. A. subcommittee. He will continue, however, his membership on the Technical Advisory Group for Gas Water Heating Research of the A. G. A. Committee on Domestic Gas Research.

In explaining the work of the requirements committee, Mr. Geyer noted that the gas in-

dustry is the only industry in the U. S. that is self-regulating as regards standards of performance and safety of its appliances.

American Gas Association Approval Requirements Committee, which is responsible for development and revision of gas appliance standards, is also a Sectional Committee of American Standards Association. The A. G. A. committee has some 28 subcommittees, one for each class of gas appliance or accessory. The members are national authorities on the equipment concerned.

These subcommittees meet in Cleveland, Ohio, from one to four times a year to thoroughly consider all proposals of manufacturers and utility companies and to direct the A. G. A. Laboratories in testing procedures.

Mr. Geyer has served for many years on a number of approval requirements committees.



H. W. Geyer (left), receiving congratulations from Arthur F. Bridge, president, Southern Counties Gas Company and chairman, A. G. A. Laboratories Managing Committee, for his 17 years on the A. G. A. Approval Requirements Committee

Kreutzer made LP-Gas managing director

APPOINTMENT of Arthur C. Kreutzer as managing director, Liquefied Petroleum Gas Association, was announced September 30, 1949 by Si G. Darling, president. He will assume the duties of Howard D. White, ex-

ecutive vice-president, who resigned effective October 31 to become associated with Perlite Development Corp., Albuquerque, N. M., as an owner and officer.

Mr. Kreutzer has been counsel and secre-

tary of the association since 1946. A graduate of De Paul University School of Law, he engaged in private practice from 1931 to 1941, during which time he frequently represented trade associations.

Pension phases

(Continued from page 17)

fend off bad public relations. They should not be a presently unproductive expenditure for the mere purpose of weeding out the aged inefficient without undue hardship to them. A retirement plan, in most of the companies in your industry, can be a potent positive factor in improving management-employee relationships: Most employees nowadays recognize and appreciate a good retirement plan when they see one. An announced retirement plan can, in every case, work an enormous improvement in the morale and efficiency of the older employees. Without an announced plan, the oldster doesn't know whether or not he can ask for retirement without ruining his chance for favorable treatment; he is apt to get the jitters from fear lest some little mistake lead to his discharge or retirement on a very small allowance. With an announced plan he can prepare for the future.

A modest pension plan, fully explained to employees, is worth far more in improved morale and efficiency than much larger pensions awarded on retirement as a matter of grace without advance announcement.

To summarize, our 1949 attitude toward retirement calls for a reasonable

pension plan, not so niggardly as to make employees fight retirement by every hook or crook, nor so liberal as to encourage employees to retire while they still have years of efficient service left in them; but most importantly, a retirement plan announced to the employees so that they may know what they can look forward to, and plan accordingly.

The second of my three phases concerns the financing of pension costs. What is a sensible 1949 attitude toward the financing of pension costs?

Many times in the past—and at present, too, in many industries—the easiest way has seemed or seems to be to forget pension costs, and hope that you personally will have retired on favorable terms before a day of reckoning becomes inevitable. Maybe your company's pension payroll has been increasing only slowly; or, at any rate, maybe it isn't large yet, not very large. Probably your company admits no legal liability to pension anybody, or even to continue the pensions it is paying now.

Nevertheless, a company which defers the financing of its pensions until the respective employees have retired and their monthly payments have become payable, is always saddled with an unrecognized liability.

To make this clear, consider this: Sup-

pose the company wanted to go out of business; would it want all of its pensions to stop, and all of its unretired employees to be left unprotected in the matter of pensions, no matter how many years they had served the company, or how close they were to the time when they had expected to retire? Of course you can say that a corporation is perpetual, particularly a public utility corporation. Even so, it takes no more than a vague fundamental appreciation of accounting principles to see that pensioners and near-pensioners constitute a real liability, and that surplus is overstated if the liability is unrecognized.

A possible misstatement of surplus may be considered by some to be of theoretical rather than practical importance. More interesting may be the fact that when a portion of each year's receipts is not set aside to cover the estimated present value of that year's accrual of pension liabilities, the company's net income is overstated. Overstatement of income is undesirable for harsh practical reasons: It increases your income tax; it tends to make your prices appear too high when they are not.

Ordinarily, a company would not permit its tax department to omit a substantial deduction in making up the company's income-tax return. Nor would

it instruct those studying the relationship between its prices and its costs of operation to overlook an important item of cost. But that is just what many companies are doing when they try to get along without a formal funded pension plan, qualified under section 165(a) of the federal internal revenue code.

Those remarks are not of universal application. The principal exception is that they do not apply to a company that is not paying or going to pay any pensions, provided that it will either discharge its old employees when their efficiency starts to decline or reduce their compensation in proportion to their reduction in efficiency. Not many companies in the gas industry are within that exception. That is why many of you are building up, under actuarial guidance, pension trust funds invested in good interest-bearing securities; and why others are paying money regularly to some insurance company under a group annuity contract or some other insurance-policy vehicle of pension financing.

My third phase of a wise 1949 pension attitude concerns the proper place in the pension picture of the old-age benefits under the Social Security Act.

You are familiar with the fact that when you retire an employee at or over age 65, he usually is also granted a retirement allowance under the federal Social Security Act. In the case of employees you have been retiring at age 65 or over, I suppose that their Social Security allowances have recently been running at about \$40 per month for the average employee, not counting the wife's benefit; or averaging about \$60 per month in cases where the employee and his wife have both reached age 65.

For the highest paid employees, the allowances are currently running at about \$45 per month for the employee, or \$67 per month for an employee and wife over age 65. The allowances awarded to lower paid employees may be illustrated by the case of the employee whose earnings since 1936 have averaged \$120 per month: this employee's allowance would be about \$30 per month; the amount for employee and wife over 65 would be \$45 per month.

At this point perhaps I'd better stick in a couple of footnotes. A lot of the publicity about the present Social Security benefits stresses that the average old-age benefit is no more than some \$26 per month; but this average includes a lot of people who have not

worked steadily in covered employment. Probably among the people you are currently retiring, the minimum is about \$30 per month, and the average closer to \$40 per month. Moreover, if a retired employee and his wife are both over age 65, these amounts are increased 50 percent. My other footnote is that, in addition to old-age benefits, there are survivors' benefits of various kinds for widows and children. I am not discussing those benefits here since this article is limited to pension problems.

The House of Representatives has passed a bill, H.R. 6000, which the Senate is expected to take up next year, to liberalize benefits under the Social Security Act. From our point of view, the principal changes to mention are in the amounts of old-age benefit and in the tax-rates. The \$30 allowance I mentioned for an employee whose earnings have averaged \$120 per month would be increased to about \$55—or \$82 per month for an employee and wife both over age 65. In the case of a high-paid employee, the benefit of \$45 per month would be increased to about \$74 per month—or \$110 for an employee and wife both over age 65. These are increases of 83 percent for the lower paid employee, and 64 percent for the higher.

Taxes payable by both employees and employers under the present law have always been scheduled to increase above the familiar one percent rate, but these increases have always been deferred by special Congressional action. H.R. 6000 would increase the tax rate to 1½ percent for 1950, two percent from 1951 to 1959, 2½ percent beginning in 1960, three percent beginning in 1965, and 3¼ percent beginning in 1970. Moreover, these new tax rates, instead of being applied to the first \$3,000 of annual earnings, would apply to the first \$3,600 of annual earnings. (Although I didn't mention it specifically when describing the change in benefits, the benefit schedule in the present law disregards earnings in excess of \$3,000 per year, while under the new bill this limit would be raised to \$3,600. This is one of the reasons why the monthly benefit for a high-paid employee increased as much as I said.)

There is a wide difference of opinion as to whether Social Security ought to cover the first \$3,000 of yearly earnings, or some larger amount. There has been considerable demand from high places for so high a figure as \$4,800. The recent Advisory Council report to the

Senate Finance Committee recommended \$4,200. The final decision of the Ways and Means Committee was \$3,600, which is the same limit as has existed for several years in the Railroad Retirement Act. But ten members of the Ways and Means Committee made a minority report recommending the retention of the present \$3,000 base.

The proposed increase in benefits for lower-paid people is not running into a great deal of opposition: the minimum monthly benefit paid by the Social Security Act has been too small. On the other hand, there are very serious doubts as to whether the proposed increases in the allowances of the higher-paid employees are appropriate for a Social Security fund to which, in all probability, the general taxpayer will some day have to contribute substantially to make income balance outgo.

One of the few well-established principles of social insurance is that a Social Security scheme must not attempt to provide benefits above a reasonable subsistence level. Attempts to go further are bound to run into prohibitive costs—costs that cannot be paid without dislocations that lower rather than raise the productivity of the country and the general standard of living.

It is important not to make a false step in this direction. Large pressure groups, built up out of those favored by unduly high benefits, would resist every attempt at correction.

Some people are taking the short-sighted view that, if the government would take more adequate care of the pensions of the great bulk of the workers, say all hourly paid workers, private pension plans would be unnecessary, at least for employees represented in collective-bargaining.

Substantially higher Social Security allowances for skilled workers have been favored because of their probable assistance in the matter of resolving some of today's controversial issues in the collective-bargaining field. In effect, this is saying that management and labor cannot decide for themselves what kind of pension plans employees ought to have and, therefore, Congress ought to provide large enough Social Security pensions for all employees so that unions will no longer find it necessary or desirable to ask their employers for supplemental pensions.

That reasoning has, to me, a very hollow ring. I don't believe it would work out that way. I don't believe that the

way to solve such important questions as what different kinds of pension plans different employers ought to provide for different groups of employees is to leave it to Congress to set up a universal pension plan that will apply to everybody.

To many people, baffled by today's collective-bargaining impasses, it may be an appealing thought that, if Congress

could only act promptly to increase substantially the larger Social Security allowances, it might not be necessary for unions and employers to dispute about pension plans. Unfortunately, it would not work out that way.

There is no sound reason for departing from the principle that even so thoroughgoing a liberal as Sir William Bev-

eridge has constantly reiterated, namely, that the function of social insurance is to provide a floor of benefits on a subsistence level, and not to reward the more efficient or fortunate with the larger pensions that in many industries can be obtained through joint or several endeavors of employers and employees.

Accountants meet

(Continued from page 33)

tee. Results of this survey are expected to put specifications into definite form and lead to the endorsement of standard packaging by American Standards Association.

On Wednesday, Carl H. zur Nieden, Philadelphia Electric Co., presented the practices of 17 contributing companies in connection with the handling of truck stocks. He pointed out that the first truck stock was set up by an operating department without benefit of accounting. Since, for accounting controls to function, the operating department in any system must first report the material used, the procedure should be simple in order to make the employee honest accounting-wise. Otherwise, Mr. zur Nieden added, the employee returns to the first concept of truck stock that is without benefit of accounting.

Handling of truck stocks is not a physical problem, he continued. It is just material in motion. It seems simple until you are curious as to the extent of its travel, stop-overs, destination and return trips. Curiosity then indicates the fixing of responsibility with resulting operating and auditing procedures. Controls cost money, so the question becomes "How much money are you willing to spend to satisfy your curiosity?"

The speaker concluded that it is better to restrain curiosity a bit, since under any control system there are always materials unaccounted for. A discussion of individual experiences with truck stocks and a further exchange of ideas followed.

At the General Accounting session on Wednesday afternoon, A. T. Gardner presided in the absence of F. J. Labanca, New Orleans Public Service Inc., New Orleans, chairman of the General Accounting Committee.

A paper on "Accounting Problems in

Conversion to Mixed Manufactured and Natural Gas Distribution," read by R. H. Johnson, The Brooklyn Union Gas Co., covered the actual experiences of 22 companies in this field. The contracts, financing, general accounting, specific accounting, capitalization and maintenance policies, taxes, and reports of these companies were discussed.

D. W. Peterson, Minneapolis Gas Co., Minneapolis, Minn., as chairman of the Subcommittee on Control of Construction Expenditures, stated in his report that "the construction budget should be looked upon not only as a mechanism for controlling costs, but also as an aid in more clearly defining responsibilities and in achieving improvements in planning, performance, coordination and cooperation. The budget should be neither optimistic nor pessimistic. Rather, he added, it should be an honest expression of facts based on conditions as they actually exist. Management should be furnished periodically with the comparison of actual and estimated costs in order to determine the accuracy of the estimates."

An address, "The Importance of Internal Control by Management," was delivered next by Carman G. Blough, director of research, American Institute of Accountants. According to Mr. Blough, internal control has been a subject of much importance to management in recent years because the increase in size and scope of so many business entities has necessitated the development of special techniques by which management can perform more effectively. It is important to management because it assures reliable accounting data, safeguards the organization's assets, establishes preventive measures, and facilitates independent audits.

The Property Records Accounting session, held on Wednesday afternoon, opened with K. R. Watson, Philadel-

phia Electric Co., presiding. R. H. Miller, Northern Natural Gas Co., Omaha, Neb., presented the first address, "Property Accounting for Natural Gas Pipeline and Production." He discussed the property accounting records system used by his company, pointing out how the original detailed entry ultimately reaches the continuous property ledgers. He concluded that the time and expense of such record keeping is more than justified by the simplification in preparing tax reports, reports to regulatory bodies and the making of retirement property entries.

"Accounting Segregation of Gas Utility Plant" was presented by A. N. Durand, Public Service Electric & Gas Co., Newark, N. J. With the first use of natural gas by many companies, Mr. Durand turned his attention toward the segregation of plant property according to its usage with respect to kinds of gas produced.

He stated that in finding the net cost of producing different kinds of gas, it is necessary to include plant investment in arriving at such cost. Segregation of producing plant facilitates this computation. In connection with the cost aspects of the problem, the preparation of rate cases and studies is much easier when plant units are accounted for separately.

Mr. Durand emphasized the point that building and equipment subject to the uncertainty of obsolescence can be controlled better through accelerated amortization if each unit is separately defined, particularly where the use of natural gas may force other types of production units to be retired. In a final note, he concluded that under the Uniform System of Accounts for Gas Utilities, under the heading of Production Plant, such segregation of the various types of gas plants is intended.

The Customer Activities Group meeting on Wednesday afternoon was

opened by the coordinator, P. E. Ewers, Michigan Consolidated Gas Co., with a brief resume of the past year's work. At the very outset a large attendance showed great interest in the announced topics.

Fred S. Pickford, The Hartford Gas Co., Hartford, Conn., substituting for Martin J. Coughlin of the same company, led off with "Scheduling and Preparing Meter Change Orders for Periodic Tests." This paper was based primarily on an extensive analysis of replies to a questionnaire propounded to 25 operating companies. The information obtained showed a wide diversity of procedures which are followed in the scheduling and preparation of meter change orders. In addition, it was pointed out that there seems to be no community of thought or action, from an accounting perspective, pointing toward a cost reduction road in the tremendous volume of work involved in processing such orders. Study of this problem by methods men was suggested.

"Let's look at Mr. B. D.," a comprehensive analysis of accounts charged to uncollectible, was presented by O. B. Cook, Battle Creek Gas Co., Battle Creek, Michigan. This address disclosed that many utilities having low ratios of uncollectibles have high ratios of collection costs, while in other companies the opposite situation prevails. All companies, and particularly their collection managers, were urged to interest themselves not only in the collection results as reflected in the bad debt charge-off but also in the costs buried in operating expenses to achieve these results.

Beach J. McMillen, The Cincinnati Gas and Electric Co., Cincinnati, put the question "Are We Training Our Employees to Meet the Public." In answer, he pointed out the laxity that apparently exists in some companies as shown by the absence of an adequate program, and in some cases, by no training program at all. The importance to the company of employees with the proper training and attitude toward both the public and the company and the manner in which this can be accomplished, was carefully shown.

A panel discussion of "Service Order Simplification" was the final business of the meeting. Panel members were: J. W. Vanier, Southern California Gas Co., Los Angeles, as moderator; T. C. Eickmeyer, Dayton Power and Light Co.;

A. C. Haake, The Peoples Gas Light and Coke Co.; L. J. Rauh, Consolidated Gas Electric Light and Power Co. of Baltimore, and John A. Williams, Niagara Hudson Power Corp., Syracuse.

The interchange of information as to methods, routines, forms, etc., used in the companies represented on the panel was particularly enlightening. When compared and evaluated they should prove of great benefit to the industry. Illustrated screen slides were used to show some of the numerous forms now in use.

Chairman Reynolds presided at the Thursday Accounting Section luncheon. His opening remarks and rendition of the song, "Chicago Town," brought applause from the large number of delegates gathered in the Red Lacquer Room of the Palmer House.

Election of officers was next on the calendar. The 1949-1950 Chairman of the Accounting Section was to be John W. Roper, Washington Gas Light Co.; was selected as incoming chairman of the Accounting Section. Elected vice-chairman for the coming term was A. A. Cullman Columbia Engineering Corp., N. Y.

Mr. Reynolds then introduced the first speaker, Joseph B. Jeming, prominent author, financial and economic consultant. Mr. Jeming's talk was concerned with the topic "Should Depreciation be Discretionary?"

He pointed out that discretion or judgment on the part of management in the matter of depreciation is an indispensable factor. This is true, he declared, despite the existence of agencies outside management which exercise influence, agencies such as the Bureau of Internal Revenue when income tax purposes are under discussion, Public Service Commissions when the question is rate-making, and Securities and Exchange Commission on financing and refinancing. For these purposes, management may have some discretion as latitude is permitted with respect to the depreciation method—for example, straight-line depreciation or a compound interest method. Even in cases where straight-line depreciation must be used by requirement of public authority or by the uniform system of accounts, often there is still the choice between various methods of applying straight-line depreciation methods. Finally, he remarked, management has room for the exercise of discretion in estimating useful service lives. By its very nature estimating service lives is a process involving the

exercise of discretion. The conclusion reached was that in the matter of depreciation there is no substitute for judgment, but it must be an educated judgment. Depreciation is in part discretionary, Mr. Jeming stated, and management should put itself into a position to recognize within what limits it can exercise discretion without fear of contradiction.

The address attracted unusual attention as Mr. Jeming's authoritative knowledge and experience in this highly technical field are widely recognized and respected.

The second person to address the luncheon gathering was L. E. "Cy" Frailey, Columbus, Ohio. Mr. Frailey illustrated his points concerning correspondence by instances and examples. He indicated that the warm, human, personal touch should be supplied wherever possible, and that long, stiff and formal words and phrases should be avoided. To a large extent, public good will can be created and maintained, he added, by good correspondence habits.

The report of the chairman was delivered by Mr. Reynolds, whose concluding remarks brought the luncheon to a successful close.

Scanning the planning

(Continued from page 24)

our plans for an industry activity far enough in advance to allow each company plenty of time to plan its own tie-in—and we will also coordinate all groups concerned to make any such activity a real success.

The Old Stove Round Up is our first test of this theory. The Round Up started in August with a quota of one million ranges as an objective and since then the manufacturers have given it wholehearted support. Over 300 gas companies are using the theme. While figures are still meagre as to the impact received, I can say that in my company retail sales are up 40 percent since the introduction of the campaign. Other reports indicate that the campaign is stimulating manufacturers' gas range sales everywhere.

What about 1950? Final preparatory plans of your sales staffs should be completed by early in November. These plans should include vigorous dealer promotions and probably more manpower. The future of this industry can only be written by salesmen who are

building for the years ahead and not for a quick advantage.

We have a big job in 1950, but I promise that it will be one of the most stimulating years in the industry's business life. The customer is tougher. Dollars are going to buy more and they're going to be harder to get. Business in 1950 is going to be what we as companies and individuals make it.

Let's take a look at A. G. A.'s over-all leadership for 1950.

Our theme for 1950 is "The A. G. A. Sales Revival." Yes, a revival of interest, a revival of our sales forces, a revival of our program of dealer relations, a revival of good sales techniques, and a revival of interest in our customers. We need everyone behind that program, adding imagination and originality.

January—We're not going to have a special A. G. A. promotion. If there's any old merchandise you didn't move in November and December, this will be the time to get it out—to put it to work for you. By this time your refrigerator plans for the new Servel box should be all set. Get behind it right away! Start your own refrigeration promotion on the new models early!

February and March—A "Size 'em Up" promotion on water heaters and gas clothes dryers.

This slogan has a double meaning. "Size 'em Up," as it applies to water heaters, places emphasis on sizing up your sales force as a prelude to the "Court of Flame" program which the water heater manufacturers will run later in the year.

"Size 'em Up" also has a connotation for gas clothes dryers. This comparatively new appliance should spark sales—it's glamorous—it's new—it's a load builder.

Coordinated with the water heater and clothes dryer promotion will be A. G. A. national advertising running in February, March and April and featuring the slogan "For Hot Water Magic—Gas Has Got It!" Material for this campaign will be distributed by December 15. We've got a story that can't be beat in water heating. Use it!

April, May and June "Spring Style Show"—This will be our first range campaign of the new year. Again the first objective will be to check on sales forces and individual programs.

During this campaign, we shall stress high-grade equipment with emphasis on automatic gas ranges. We're going after the replacement and new home market

simultaneously. A. G. A. national advertising will start building up for this promotion in March and will continue during April, May and June in the full list of publications.

July, August and September—During this period we will run two parallel campaigns . . . a house heating and air conditioning campaign with incinerators included, and a bang-up refrigeration campaign. Objectives of the house heating and air conditioning campaign will be three-fold:

- (1) To check all house heating installations to make sure none are creating bad customer relations. In other words, to get our houses in order for the big push that lies ahead.

- (2) To sell present owners of old gas house heating equipment new installations or to supplement gas house heating with summer air conditioning.

- (3) If you're ready to take on extra load, this will be the peak time to make a drive for new customers. Incinerators, because they are usually installed in the basement, will be given a push during this period because this long-neglected appliance presents good load building possibilities.

The gas refrigeration campaign is scheduled, too, for July, August, and September. This will, in a sense, carry on the peak most companies reach in May and June. It will be called a "Clean Sweep" campaign because it is designed to spark a final drive on good prospects who have not yet bought.

September, October and November—The annual Old Stove Round Up. We're going to make this an annual event. We'll start earlier this year with the plan book to be sent out during July for those who want to get an early start.

Chief emphasis will be on the replacement of old equipment and the western theme, and materials which have taken so well this year will be featured again. The campaign will be in a bigger and better form than ever before and will be stimulated by an A. G. A. advertising drive that will start in women's publications that will be on the newsstands around August 25. The advertising will continue through September, October and November.

December—holiday gift promotion. No special campaign will be run in connection with this activity but it is the time of the year when every manufacturer offers his complete line to prospects for Christmas giving. National advertising will stress the Christmas gift

theme. Your own local tie-in can well capitalize on this advertising.

This is a complete schedule of promotions that have been carefully worked out according to the majority experience of most utilities. Replies to a survey representing 75 percent of all the meters in the U. S. and Canada have provided the pattern against which this schedule has been set up. National advertising is closely integrated to interest customers and prepare the way for best results.

There is one more project which will have far-reaching results. For a long time we as an industry have been promoting "CP" ranges. Strange as it may seem, about 50 percent of gas utility companies still are not promoting them individually. Much research is being done by control manufacturers and range manufacturers too, but limited sales volume has retarded the field testing of new equipment. There is pretty general agreement that the gas industry must eventually offer a range which consumes no energy when not in use, or one in which the standby consumption is at a minimum and no heat introduced in the oven. It is also mandatory that the cost of this automatic device be reduced materially and that the service cost shall be negligible.

To this end I have consulted with several manufacturers and recently held a meeting to determine a course of action. The PAR Committee has agreed that the project is worth the expenditure of a substantial sum of money and plans are now proceeding in a direction which should produce the desired results.

All of these plans and the others that will be presented in the commercial and industrial fields are no better than the effort put into them on the local level. In the Old Stove Round Up, we proved that everyone in the industry working together can be bigger than any of our competitors or all of them put together.

We have good committees and committee members to guide us—we have manufacturers who realize that in union there is strength. We have utilities who are willing to give of their best to make these plans successful. How can we lose?

During the next few years, intelligent and aggressive thought and action will enable the greatest expansion in our history. Make no mistake about it—we are not going to win this expansion by the default of our competitors. We must fight for it every inch of the way! But it will be the most stimulating fight in our careers.

New Jersey gas men elect Becker

LEWIS W. BECKER, JR., Elizabethtown Consolidated Gas Co., Elizabeth, N. J., was elected president, New Jersey Gas Association, at the group's thirty-fourth annual meeting in Spring Lake on Friday, September 9, 1949. Robert H. Philipps, Jr., Public Service Electric & Gas Co., Newark, N. J., was elected first vice-president, and Elmer A. Smith, same company, was reelected secretary-treasurer.

An audience of approximately 350 persons heard Hugh H. Cuthrell, vice-president, The Brooklyn Union Gas Co., now president-elect, American Gas Association, describe how gas serves both public and industry alike "around a great economic clock that holds tremendous promise for the future."

Mr. Cuthrell told his listeners that they should thoroughly investigate the economics of going to a higher Btu gas as soon as possible. Other great opportunities exist, he said, in the need for more equity capital and for more analytical market studies. He encouraged members of the association to di-



Howard H. Melvin, president, New Jersey Gas Association, addressing group's 1949 annual meeting at Spring Lake. Sharing the speakers' platform are: (left to right) Hugh H. Cuthrell, president-elect, American Gas Association; George Clark Vincent, guest speaker; Mr. Melvin; Lewis W. Becker, Jr., president-elect of the New Jersey association; Elmer A. Smith, secretary-treasurer.

gest the joint study "Financing Utility Capital Requirements," published by American Gas Association and Edison Electric Institute this fall (details of this study are outlined on page 4, October 1949 A.G.A. MONTHLY).

Other gas industry speakers included H. Vinton Potter, A. G. A. coordinator of promotion; Robert H. Philipps, Jr., general manager, gas department, Public Service Electric & Gas Co.; Howard B. Noyes, vice-president, Washington Gas Light Co., Washington, D. C., and Edward G. Boyer, manager, gas department, Philadelphia Electric Co., Philadelphia, Pennsylvania. The last three speakers participated in an informative symposium on natural gas.

Mr. Noyes suggested that "natural gas may well be the answer to many of the problems which gas companies will encounter in maintaining their present economic stability

and progress."

Mr. Boyer emphasized the wisdom of investing more of the profits resulting from natural gas usage "in research aimed at the time when the law of supply and demand will make the large volume manufacture of high heating value, low specific gravity gas the life saver of the gas industry."

Delegates elected the following representatives on managing committees of American Gas Association: *Residential Gas Section*—Arthur B. Becker, Public Service Electric & Gas Co., Summit, N. J.; *Industrial & Commercial Gas Section*—Richard E. Crane, Elizabethtown Consolidated Gas Co., Elizabeth, N. J.; *Technical Section*—Harold P. Richmond, Cumberland County Gas Co., Millville, N. J.; *Accounting Section*—H. E. Cliff, Public Service Electric & Gas Co., Newark, New Jersey.

Associated organization activities

Gild of Ancient Suppliers elects Sorby mayor

ECARL SORBY, vice-president, Geo. D. Roper Corp., Rockford, Ill., was elected mayor of the Gild of Ancient Suppliers at the group's annual meeting held October 17 in Chicago, coincident with the American Gas Association convention. He succeeds Joe A. Mulcare, president, Mulcare Engineering Co., New York, N. Y. Other officers elected were:

Senior warden—Joseph A. Messenger, vice-president, Buell Engineering Co., New York, N. Y.; alderman—S. D. Day, president, S. D.

Day Co., Houston, Tex.; alderman—Wayne R. Smith, president, Continental Water Heater Co., Los Angeles, Calif.; alderman—George P. Velte, American Stove Co., Brooklyn, N. Y.; clerk—John Van Norden, secretary, American Meter Co., New York, N. Y.; and keeper of the treasure—Glenn H. Niles, consulting engineer, Ridgewood, N. J.

Mayor Sorby will appoint a sergeant-at-arms and nine regional wardens at the next

meeting of the Great Council. The Gild is composed of men who have been supplying equipment, appliances, accessories or services to the gas industry for ten years or more, and has a membership of more than 200 such veteran "suppliers" from coast to coast.

More than 300 suppliers and burghers (gas utility men) attended the Annual Wassal held Monday evening, October 17, at the University Club of Chicago.

GAMA installs new officers and chairmen

ASTRONG slate of new officers were installed by Gas Appliance Manufacturers Association in Chicago last month. GAMA activities during the coming year will be directed by the following industry leaders who took office during American Gas Association's 1949 convention.

President—Stanley H. Hobson, president, Geo. D. Roper Corp., Rockford, Ill.; first vice-president—Frederic O. Hess, president, Selas Corp. of America, Philadelphia, Pa.; sec-

ond vice-president—Louis Ruthenburg, chairman of the board, Servel, Inc., Evansville, Ind.; treasurer—John Van Norden, secretary, American Meter Co., New York, N. Y.; secretary—H. Leigh Whitelaw, managing director, GAMA, New York, N. Y.

Chairmen of the various GAMA divisions were installed as follows:

Controls & Related Accessories Division—J. F. Ray, General Controls Co., Glendale, Calif.; *Direct Heating Equipment Division*—

L. O. Reese, Armstrong Products Corp., Huntington, W. Va.; *Domestic Gas, Range Division*—W. H. Muhlback, Florence Stove Co., Gardner, Massachusetts.

CP Manufacturers Group—H. E. Jalasz, Cribben & Sexton Co., Chicago, Illinois.

Gas Clothes Dryer Division—C. H. Rippe, Jr., Hamilton Manufacturing Co., Two Rivers, Wisc.; *Gas House Heating & Air Conditioning Equipment Division*—I. E. Smith, The Forest City Foundries Co., Cleveland,

Ohio; *Gas Air Conditioning Group*—John E. Knighton, Servel, Inc., Evansville, Ind.; *Gas Boiler Group*—H. C. Day, American Radiator & Standard Sanitary Corp., Pittsburgh, Pa.; *Gas Conversion Burner Group*—J. V. Rerucha, The Columbia Burner Co., Toledo, Ohio; *Gas Furnace Group*—Russell M. Cook, Thatcher Furnace Co., Garwood, New Jersey.

Gas Floor Furnace Group—L. A. Brand, Empire Stove Co., Belleville, Ill.; *Gas Incinerator Division*—J. W. Herbert, Calcinator Division, Valley Welding & Boiler Co., Bay City, Mich.; *Gas Meter & Regulator Division*—Floyd Gaunt, Reynolds Gas Regulator Co., Anderson, Ind.; *Gas Refrigerator Division*—Louis Ruthenburg, Servel, Inc., Evansville, Ind.; *Gas Valve Division*—Philip

S. Harper, Harper-Wyman Co., Chicago, Ill.; *Gas Water Heater Division*—Leland M. Feigel, Servel, Inc., Evansville, Ind.; *Restaurant & Commercial Gas Equipment Division*—E. J. Horton, Robertshaw-Fulton Controls Co., Youngwood, Pa.; *Industrial Gas Equipment Division*—Alvin M. Stock, The Partlow Corp., New York, N. Y.

GAMA names marketing group chairman

DONALD HART, executive vice-president, Tennessee Enamel Manufacturing Co., Nashville, Tenn., has been elected chairman of the Marketing Committee, Gas Appliance Manufacturers Association. D. R. Meckstroth, associate director of sales research, Servel, Inc., Evansville, Ind., has been

designated vice-chairman.

Mr. Hart who has been prominent in GAMA affairs for many years and an active member of the Marketing Committee is also vice-chairman of the Direct Heating Equipment Division and a member of the association's Gas Floor Furnace Group. He succeeds

as chairman R. T. Killian of Bryant Heater Division, Affiliated Gas Equipment, Inc., Cleveland, Ohio.

Mr. Meckstroth has served during the past year as chairman of the Marketing Committee's subcommittee on LP-Gas Marketing Data.

Natural gas

(Continued from page 19)

of problems also common to California. "As of today," he said, "there are 14 active wildcat operations in the offshore waters of Louisiana, any one of which may well be the next oil or gas discovery. Further, it has been estimated that 75 good geophysical seismic prospects have been found in Louisiana Gulf waters. The number in Texas waters is estimated at 25.

"In the final analysis," he added, "the \$64 question" is not "Can gas lines be laid in the Gulf 25 or 30 miles out?" but rather, "Are the reserves sufficient in the individual field or fields to pay for the installations". A 'guestimate' puts the ratio of cost of construction of a similar-sized line in submerged areas to that on dry land at from two-to-one to about four-to-one."

One estimate predicts, he said, an ultimate reserve of 786 billion cubic feet for the present 11 gas well areas in the Louisiana Gulf of Mexico.

At the present time too few wells have been drilled and completed to give a particularly accurate picture of the potentialities of the area, Mr. Gsell stated. Nevertheless, sizable production can be expected off Louisiana from sands in the Pliocene and Miocene in depths from around 1,500 feet to 20,000 feet plus. Off the Texas Coast, Pliocene, Miocene as well as Oligocene formations are present as potential gas and oil reservoirs.

Mr. Hulcy was re-elected chairman of the Natural Gas Department's Managing Committee for the new year. Other members of the committee are as follows:

B. C. Adams, president, The Gas Service Co., Kansas City, Mo.; C. E. Bennett, president, The Manufacturers Light and Heat Co., Pittsburgh, Pa.; Joseph Bowes, president, Oklahoma Natural Gas Co., Tulsa, Okla.; A. F. Bridge, president and general manager, Southern Counties Gas Co., Los Angeles, Calif.; J. J. Hedrick, president, Natural Gas Pipe Line Co. of America, Chicago, Ill.; E. Buddrus, president, Panhandle Eastern Pipe Line Co., Kansas City, Mo.; Paul Kayser, president, El Paso Natural Gas Co., Houston, Texas.

Also, F. H. Lerch, Jr., president, Consolidated Natural Gas Co., New

York, N. Y.; E. P. Noppel, vice-president, Ebasco Services Inc., New York, N. Y.; F. T. Parks, vice-president, Public Service Company of Colorado, Denver, Colo.; C. P. Rather, president, Southern Natural Gas Co., Birmingham, Ala.; E. L. Rawlins, Union Producing Co., Shreveport, La.; Gardiner Symonds, president, Tennessee Gas Transmission Co., Houston, Texas; Paul R. Taylor, vice-president, Consolidated Electric & Gas Co., New York, N. Y.; A. H. Weyland, president and general manager, Arkansas Natural Gas Corp., Shreveport, La.; C. H. Zachry, president, Southern Union Gas Co., Dallas, Texas.

SGA cites first honorary life member



J. P. Connolly (center), sales promotion manager, South Carolina Power Co., receiving certificate designating his honorary life membership in Southern Gas Association. Mr. Connolly was the first member so honored more than 20 years ago and the idea of a special certificate to mark that award was executed this year by Robert R. Suttle (left), SGA managing director. Homer M. Pace (right), company vice-president, opened the certification ceremony in Charleston

'49 Round Up

(Continued from page 14)

revenues for the year ending June 30, 1949, totaled 1,620 million dollars or 9.8 percent greater than in the previous 12 months. This is a new high for the gas industry. The natural gas branch outstripped all other branches by making the greatest increases in customers, sales and revenues. More than 700 companies are supplying natural gas to 11½ million customers in 5,200 communities in 35 states. The 13 states not now served by natural gas pipelines are Washington, Oregon, Idaho, Nevada, North and South Carolina, Delaware and the six New England states. Pipelines are projected or planned which will soon put natural gas in every state in the Union except Nevada.

The spectacular growth of the natural gas branch of the industry has attracted national attention. Last year, the Federal Power Commission authorized construction of 8,500 miles of new pipeline, bringing the total of natural gas pipelines in the United States to 251,330 miles. Applications are now pending before FPC for an additional 14,600 miles of natural gas lines.

Largest single authorization was for construction of an 1,840 mile pipeline from Texas to New York City at an estimated cost of \$189 million. This line will supply 340 million cubic feet of natural gas daily to gas companies in New York, New Jersey and Pennsylvania. Plans are now well advanced to build natural gas pipelines to New England. On the other side of the country, the Pacific Northwest is looking forward to receiving natural gas from Canadian fields. Completing the expansion picture, is the fact that practically all existing natural gas pipeline systems are being expanded to take care of additional load.

With natural gas advancing to all these far-flung areas, the question of reserves assumes paramount importance. Here again the picture is bright. The Reserves Committee of A. G. A. and the American Petroleum Institute estimated proved natural gas reserves in the United States on December 31, 1948 were 173.87 trillion cubic feet. This is a gain of almost eight trillion cubic feet above the estimates of a year ago, despite record withdrawals to supply the unprecedented demand. It is significant that reserves have advanced more than 700 percent since 1925 and more than 230 percent in the past ten years.

A. G. A. is conducting continuing economic studies on a broad scale to plot the course of the gas industry and assist in its long-range planning. One such study, completed during the past year, was a resurvey of the anticipated construction expenditures of the gas utility industry which indicated the industry's accelerated rate of growth. This study revealed that the industry expects to spend 3½ billion dollars on new facilities during the five-year period, 1948-1952. The largest single class of expenditure will be devoted to natural gas transmission equipment which is expected to account for 1.8 billion dollars or 52 percent of the total gas industry expenditures. Other new natural gas construction (distribution, production and storage) will amount to 1.2 billion dollars, making a total of three billion dollars for the natural gas branch.

Of this five year total, approximately 770 million dollars was spent in 1948 and 940 million dollars is expected to be spent during the current year. Total gas plant amounted to 6.3 billion dollars at the end of 1948 and total assets attributable to the gas utility industry reached 7½ billion dollars on that date. It is almost a certainty, therefore, that total utility gas plant value will rise to ten billion dollars in the next five-year period. The many problems to be met in financing this huge expansion program are clearly defined in a newly-published report on "Financial Utility Capital Requirements," prepared jointly by A. G. A. and Edison Electric Institute, which covers both the gas and electric utility industries.

The gas industry itself has demonstrated unlimited faith in its future and a willingness to underwrite that future to an extraordinary extent in A. G. A. activities and the PAR Plan. But the industry is not alone in its estimate of its resources and its potential growth. Distinguished members of the financial community have been outspoken in their belief that the gas industry is going places. Here are some recently published statements directed to the attention of the investing public:

Starkweather & Company: "The growth of the dynamic natural gas industry is limited only by its ability to raise capital and procure steel pipe lines."

H. C. Wainwright & Company: "The future holds great promise for the gas industry. There is nothing in sight which could interrupt the growth of the industry and impair its earning power for a

number of years."

Fitch Survey: "Human ingenuity combined with enormous natural resources has made the natural gas industry one of the wonders of our industrial age. It is clear that natural gas is destined to become one of the most important factors in the industrial development of the nation."

Empire Trust Company, New York: "The natural gas industry has emerged as an industry of major consequence to a surprisingly large part of the United States . . . The growth of this great industry, which is closely allied with the oil industry, has been as silent and efficient as natural gas itself."

This ever-increasing interest in gas industry securities was further indicated when the Gas Industries Fund, Inc., an investment trust, was formed June 16 of this year to promote security investment in the gas industry and related fields, with particular emphasis on natural gas.

All this is a far cry from the feeling in 1936 when Roger W. Babson, then in his heyday as a financial prognosticator, observed "the long-term future of the gas business is so bad as to warrant the liquidation of its senior securities."

The enormous expansion of gas utility plant mentioned previously has been a major factor in releasing many of the postwar restrictions on gas service, particularly restrictions on gas house heating. A very considerable part of the remaining restrictions are expected to be lifted within the next 12 months. A recent A. G. A. survey indicated that as of May 1949 the gas utility industry was supplying approximately 9.35 million residential house heating installations. This figure is expected to be increased by 750,000 additional heating installations during the current heating season.

No sooner does natural gas reach a community than the demand for gas house heating becomes a problem for the distributor. In fact, it is more serious for the pipeline company where the addition of many house heating customers, without an equal amount of curtailable load, poses a terrific load-factor variation upon the pipeline. In manufactured gas areas, the postwar metamorphosis in the house heating field, which changed gas from its prewar luxury status to a much-sought-after commodity, has brought serious peak load problems. Consequently, more study is needed to establish the economical limits of this business for each company. Individual

companies are urged to undertake comprehensive tests to determine the characteristics of gas house heating in their territories while the A. G. A. is directing attention to this problem nationally.

The extent of the gas space heating market was established in a recent A. G. A. survey of almost 20 million residential customers which revealed that the over-all saturation for gas in this field is now 37 percent and is steadily increasing. In five states, Kansas, Louisiana, Mississippi, Oklahoma and Texas (where natural gas is used exclusively) saturation approached 100 percent. A similar space heating saturation in northern areas would impose a tremendous peak load on any utility. This is a problem of first magnitude and your Association is devoting much time and effort toward its solution.

Make no mistake about it, we cannot afford to become complacent. Our competitors have launched powerful promotional campaigns aimed at the heart of our business. We must all mend our local sales fences at the same time that we are supporting such splendid national programs as the Old Stove Round Up. It is a well known fact that many companies have allowed their sales forces to become depleted during those lush periods when the emphasis was on production. We need salesmanship of the highest order and in the greatest possible volume. It is high time for us to improve our sales fire power by intensive training and the selection of more and better salesmen.

New light has been thrown on the competitive situation by impartial A. G. A. tests on the relative costs of using different fuels. Exhaustive laboratory and field studies have established the definite superiority of gas for domestic cooking. Other studies have proved that the relative position of gas is even more favorable in the commercial kitchen than in the home.

While the domestic business has been called the bulwark of corporate solvency, there is no disposition to neglect the vital and profitable industrial and commercial business. Year after year, A. G. A. has devoted a considerable proportion of its advertising funds to a well-rounded campaign in magazines which reach the industry's most vital markets in the industrial and commercial field. A full-fledged promotional and appliance development program is directed to both these markets. Vigorous efforts are being made to encourage the

production of improved commercial gas appliances.

Appliance testing work of the A. G. A. Laboratories has been a powerful factor in the improvement of gas appliances in the 23 years of its operations. In 1949 this service to the industry and the public reached an all-time high peak for the third successive year, reflecting the increased demands for gas as a domestic fuel. Testing and inspection services, the major activities, exceeded those of the previous year by 20 percent. Gross volume of all operations reached nearly a million dollars or approximately double that of the prewar peak of 1940. More than 3,000 different appliances including the products of nearly 500 manufacturers were tested. While most of this testing was done at Cleveland, rapid industrial expansion on the Pacific Coast necessitated a doubling of the A. G. A. testing facilities in Los Angeles.

Special emphasis during the year was placed on the coordination and simplification of standards on which the A. G. A. testing program is based. Seven new sets of A. G. A. requirements were approved as American standards by American Standards Association. Covering new developments and improvements, these requirements incorporated many technological advances made during and since the war. In all possible instances, performance requirements were substituted for construction features, thus permitting greater freedom of design and use of new materials and fabricating methods.

The A. G. A. Laboratories also reports substantial progress in the conduct of research projects assigned under the PAR Plan. During the year, six bulletins and eight reports presented results of studies on domestic, commercial, industrial, and mixed gas projects.

An encouraging factor which cannot fail to have its effect in the impending battle for markets, is the solidarity and understanding relationship which characterizes the operations of A. G. A. and Gas Appliance Manufacturers Association. GAMA's 550 manufacturer members are represented on 74 A. G. A. Committees. A sharp delineation of the respective responsibilities of these two groups has resulted in ever closer teamwork. Joint promotional projects of nationwide extent are now the rule rather than the exception. Our industry gains strength and confidence from the continuance of this relationship.

An important milestone is the start

of construction of a new building in Chicago to house the Institute of Gas Technology's rapidly expanding facilities for gas industry research and education. This building will house the Institute's precision laboratories, some of its research laboratories, its educational facilities, information service, library, administrative and business offices. Some of the most important PAR research projects are being conducted at the Institute. It was a privilege of the PAR Committee to act as a collection agency in helping to raise funds for the Institute's new building program. I am extremely pleased to see the close working cooperation between A. G. A. and IGT.

There has been a growing integration of the programs of the national association with the 17 regional and state gas associations which are conducting effective industry programs at the local level. A. G. A. pays tribute to their contributions and will continue to work for an even closer, and even more fruitful collaboration.

A source of pride to the gas industry has been the fact that its roots are deep in the fabric of this country. At the end of 1949 there will be in the United States, 25 gas companies who can say "The first hundred years were the hardest." This list will be increased in 1950 and 1951 by ten more companies that will celebrate their centennials.

I should like to mention here my growing conviction that the "one world" trend should be increasingly recognized by the gas industry as well as other industries. The United Nations is making progress in this direction. One good example is the informative report on natural gas which was presented at a recent U.N. Scientific Conference on Conservation and Utilization of Resources by J. French Robinson of Cleveland, representing the Association.

As for the American Gas Association, I can foresee many years of success and improvement ahead when I consider the caliber of men who support and guide its destiny. The strength of the Association is in its more than 2,000 committee members and its officers who contribute their time, energy and talent for the good of the industry. To all of them, and to the A. G. A. staff which has been a tower of strength, go my thanks for any achievements of my administration.

The gas industry is young in spirit and rich in resources. Its future is assured if we continue the teamwork and foresight we have shown this past year.

Higher Btu Gases

(Continued from page 27)

High bill complaints reduced
Customer complaints reduced 30 percent

TABLE IV

A mass spectrophotograph analysis of the 528 Btu gas and a 660 Btu gas are as follows:

	All figures are in mol. percent	
	660 Btu	530 Btu
Xylenes	0.02 P.T.	0.01 P.T.
Styrene	0.01	0.02
Toluene	0.24	0.19
Benzene	0.94	0.69
Pentanes		
Pentenes	0.02	0.03
Cyclopentadiene	0.16	0.09
Butanes	0.05*	0.05*
Butenes	0.45	0.38
Butadiene	0.48	0.32
Carbon dioxide	4.08	8.71
Propane	0.10*	0.10*
Propylene	2.54	1.68
Oxygen	0.08	0.51†
Ethane	2.53	1.69
Ethylene	9.32	6.79
Acetylene	0.10*	0.10*
Methane	14.51	10.74
Carbon monoxide	23.10	14.42
Nitrogen	11.68	25.90
Argon	0.14	0.32
Methyl acetylene	0.10*	0.10
Hydrogen	29.70	27.50
Indene	0.02	0.02
Napthalene	None	None

* P.T. below.

† The large amount of oxygen may have been due to an air leak in one of stop cocks which was streaked.

TABLE V

Both gases satisfactory	9.6
No difference	37.7
New gas better	35.1
Total favorable	82.4
*Old was better	1.7
*Old was hotter	1.7
New is too hot	1.7
New is dusty	2.6
Gum	1.0
Regulation needed	5.2
Sootier	1.7
Neither any good	1.0 (elec. co. employee)
†High bill	1.0
	100.0

* Traced to service man in this district adjusting spuds instead of air shutter.

† Most of these turned out to be adjustment of appliances rather than high bill complaints.

Customer relations greatly improved
Customer usability increased
Gain of 25 percent in distribution capacity
Peak hours reduced 25 percent
System pressures lowered
Overtime reduced
Permitted taking on new business
Use smaller meter
Prevent relaying services formerly too small.

Management views of the operation of 660 Btu over the past year at Framingham are as follows:

Has permitted the company to resume taking on normal business.

Has reduced overtime and regular hours of labor, saving 25.3 percent in production manhours.

Has postponed capital expenditures for new sets, compressors, boilers, mains, etc.

Has effected a definite saving of two cents per Mcf in holder costs equal to \$28,500 per year.

Has reduced the number of low pressure complaints which had become serious.

Conversion to 660 in other companies

Due to the satisfactory operating and utilization results at Framingham, Dedham and Hyde Park, and because of the need for some additional distribution capacities at our New Bedford company and in the balance of the system of Worcester Gas Light Co., a decision was reached in January this year to convert these two systems to 660 Btu gas. Since the Worcester plant also served Milford Gas Light Co., one of our own properties, and also the gas customers of Wachusett Electric Company, a New England Electric subsidiary, these two properties were included in the change.

Operations schedule

Feb. 15 Instruct servicemen on adjusting toward 660 on routine service calls.
Feb. 23 Hire and train crew for preadjustment of refrigerators
Mar. 2 Begin preadjustment of refrigerators
May 23-30 Brief contact employees on changeover
June 1-7 Mail postcard to all customers advising of change to be made to 660

June 13 Complete preadjustment of refrigerators
June 14 Turn in 600 Btu gas (Tues.)
June 17 Turn in 634 Btu gas (Fri.)
June 21 Turn in 660 Btu gas (Tues.)
June 25 Dead line for 660 throughout system (Sat.)
July 26 Billing starts using 1.25 multiplier on meter reading.

The above schedule was fairly closely adhered to in both companies and the changeover went forward with little difficulty.

Complaint pattern

Based on the previous experience the companies established a complaint pattern, showing the expected number of complaints for each week following the introduction of the 660 Btu gas. The actual complaints at a certain stage fell to such a low point that the companies inserted advertisements to call attention to the desirability of calling in to have appliances properly adjusted. These advertisements did stimulate some additional calls.

Conversion costs

All of the conversion costs were not available at the time this paper was written, therefore the following represent actual plus estimated cost to complete the customer appliance changes.

	Gross cost
Milford	1.27/cust.
Worcester	1.36/cust.
New Bedford	1.70/cust.

In addition to the costs of customer appliance changes we had a net revenue loss due to inability to bill for the increased Btu sent out during the first month. These losses were estimated:

	Net revenue loss
Milford	\$ 1,400
New Bedford	20,000
Worcester	42,000

Conversion expenses, including cost of unbilled gas, are being written off at rate of 40 percent in 1949 and the balance over a five-year period.

It should be pointed out that savings in F.O.T.S. and holder costs are expected to be less in the case of New Bedford and Worcester Division when compared with those realized at Framingham. This is because these two companies were not having to force their plants to obtain the required capacity and hence the operating and maintenance

...ance costs were normal.
Following are comparative fuel data covering a three-month period for the two companies. It is expected that after the personnel becomes more familiar with the new conditions, operating results will show some slight savings in F.O.T.S. costs. Worcester reports they have been able to reduce their water gas making personnel by 25 percent.

During the three months that these companies have been using 660 Btu gas they have found their operations are much easier and customers are quite enthusiastic about the new gas. Management and sales executives are pleased since it has been possible to remove restrictions on sales. The importance of this removal of restrictions is evidenced from fact that New Bedford for instance has added some 1,500 new house heating customers this year and expects to add 500 more before the year ends, making a total of 2,000 heating customers added since the decision was made to go to 660.

At Worcester the company has been able to take on several million cu. ft. more industrial gas load which it had previously been unable to supply due to inadequate transmission capacity. There is little doubt in any one's mind of the very great value that 660 Btu has meant to these companies.

In spite of the steps taken to increase capacity of these companies by 25 percent, restrictions on sales have had to be inaugurated again. This means that before further sales can be permitted plant capacity or distribution capacity or both in some instances must be increased.

This raises the question as to what should be done. Fortunately, a practical and economical solution is at hand through the adoption of 951 Btu gas and heavy oil (Part II of Mr. Henry's paper will appear in the December A. G. A. MONTHLY).

Hourly set capacity

	528 Btu	660 Btu	
	Hourly	Hourly	Equiv. 528
11 ft. set	210 000	212 100	263 500
9 ft. set	139 280	148 700	185 882
			Gain
			25%
			33%

Comparison of fuel results on two sets

	No. of Days	Coke	Oil
11 ft.	15	15.5	4.15 on Equiv. 528
9 ft.	30	16.4	4.10 " " "

Fuel bed is carried much lower than on 528 Btu gas. Reduction in steam had no effect on clinker formation. Fire is cleaned every day—requires about two hours. No increase in carbon deposit or plugging of checker brick is noted. Wash box cleaning cut one-third.

	New Bedford July-Aug.-Sept.		Worcester July-Aug.-Sept.	
	1949	1948	1949	1948
Oil/Mcf	4.09	3.89	4.02	4.03
Coke/Mcf	15.36	15.50	15.16	15.20
Steam \$/Mcf (used)	18.6	21.3	18.00	29.20
Tar gal./Mcf	.818	.778	.804	.806

The F.O.T.S. were:

Based on unit prices of:

Oil	5¢/gal.	5.5¢/gal.
Coke	18.00/ton	17.80/ton
Tar	5¢/gal.	5¢/gal.
Steam	75¢/M lbs.	75¢/M lbs.

	New Bedford		Worcester	
	Before	After	Before	After
Oil	19.45	20.43	22.17	22.11
Coke	13.85	13.82	13.53	13.49
Steam	1.60	1.40	2.19	1.35
Total	34.90	35.65	37.89	36.95
Tar Credit	3.89	4.09	4.03	4.02
F.O.T.S.	31.01	31.56	33.86	32.93

Residential section

(Continued from page 38)

Herbert pointed out that this latest sales and public relations tool, which may be obtained from A. G. A. for \$75.00, is ideal for showing at cooking schools, demonstrations, colleges, clubs, customer meetings, and for training salesmen and dealers.

Six modern New Freedom Gas Kitchens and one gas laundry are pictured in the 14-minute film which

shows Mrs. Homemaker how she can have modern gas equipment in her own home. Each kitchen is equipped with a different "CP" gas range and considerable footage is devoted to the gas refrigerator, dryer and water heater. An interesting script and capable cast add to the film which does a powerful job of demonstrating the advantages of automatic gas appliances.

The Residential Gas Section program closed on a dramatic highlight with an entertaining and effective por-

trayal of the advantages of "CP" gas ranges by Cecil Dunn, general manager, Estate Stove Co., Hamilton, Ohio. With the aid of humorous sketches he traced the evolution of the gas range to the modern automatic unit. Step by step, Mr. Dunn demonstrated the selling features of "CP" ranges on a battery of gleaming new models mounted on the stage. In all cases, he urged salesmen to sell the "extras" in cooking perfection to be found in "CP" gas ranges.

Operating Section

(Continued from page 42)

eral service body adaptable to either gas or electric utility work, and increased emphasis on the need for standardization of utility motor vehicles.

He noted that a guest speaker at the Distribution Conference had provided the interesting information that the Diesel engine will burn gas with a higher thermal efficiency than a spark ignition gas engine.

Accident prevention and constructive medicine were linked closely by Dr. Howard A. Lindberg, medical director, The Peoples Gas Light & Coke Co., Chicago.

Diverging from the customary run of technical subjects, Dr. Lindberg presented an imaginative discussion of a major change in industrial medicine—from surgery to prevention. This new concept is due in part, he said, to the decline in occupational injury and disease, and in part to the realization that most of all lost time in labor turnover is caused by non-occupational illness.

"We must turn our thoughts and principles of industrial medicine," he declared, "to the conviction that the human system is so built as to be able to continue living for a period of years which exceeds its present life span. . ."

"It is important for both supervisors and safety directors alike to realize," he added, "that only 15 percent of accidents are due to mechanical and environmental factors and that 85 percent or more are due to emotional factors. One out of four employees has emotional problems sufficient to be detrimental to safe and efficient work."

Two other speakers on the Wednesday session combined to impress the delegates with the growing importance of "preventive medicine" in the corrosion field. Sidney E. Trouard, New Orleans Public Service Inc., chairman, Corrosion Committee, stated that within the past 20 years or so, relatively simple technics have been developed by which a competent corrosion engineer can "not only mitigate, but actually stop corrosion completely, especially on underground structures.

"For instance," he continued, "the use of good coatings, coupled with properly applied and properly maintained cathodic protection can completely arrest costly and dangerous leaks on gas transmission and gas distribution systems, and

at a very nominal cost.

"What the cost of corrosion is to the gas industry is not known definitely," he declared, "but the toll certainly must run into millions of dollars each year."

The committee's vice-chairman, Pat H. Miller, Texas Eastern Transmission Corp., Shreveport, La., likened corrosion prevention to life insurance. "The older the facilities get before adequate protection is applied, the greater the cost of that protection. . ."

"More and more companies are becoming aware of the benefits that can be derived from an intelligent application of electrical methods of corrosion control," he continued.

Ernest G. Campbell, The Peoples Gas Light & Coke Co., was elected chairman of the Operating Section at the opening of the Thursday afternoon session. R. Van Vliet, New York and Richmond Gas Co., Staten Island, N. Y., was elected to serve as vice-chairman. An innovation started at the 1948 convention was continued when Mr. Campbell presented an attractive certificate of service to the outgoing chairman.

Chemists are found on practically every research committee of the Association, reported F. E. Vandaveer, The East Ohio Gas Co., and chairman, Chemical Committee. At the same time, he added, there is a need for more chemists from natural gas companies, producers, and transmission line companies to join the A.G.A. Chemical Committee in order to provide a broader coverage of the field.

Mr. Vandaveer also suggested that a joint subcommittee on waste disposal be formed with the production committee, and that other subcommittees be organized to write and publish works on natural gas chemistry, wet process purification of gas, calorimetry of gas, and measurement of gas volume.

"A Summary of Costs and Problems in Storing Btu's for Peak Loads" was the subject ably discussed by Philip S. Parker, Stacey Dresser Engineering Co., Cleveland, Ohio. The economy of various forms of Btu storage is largely determined, Mr. Parker said, by the amount of storage, the rate at which the material is to be stored (or fill rate), and at the rate at which the material is to be sent from storage (or sendout rate).

The speaker restricted his comments to those methods of storage that are already in commercial use or that have been developed to the point that successful operation is assured and reliable

data and costs are available. These include storage in low pressure gas holders, spherical medium pressure storage, high pressure storage, underground storage, and natural gas stored as a liquid. Other methods in which Btu's are stored as material such as propane, gasoline or bunker oil for conversion to gas as demands require are: Lp-air mixture, catalytic reforming, and high Btu gas from heavy oil.

"The figures in this summary emphasize," Mr. Parker declared, "the well known facts, that there is no one answer for all peak load problems. In fact most firms have found that a combination of several methods fits their particular needs, with emphasis varying from one method to another depending on local conditions."

Reporting on Purging Committee activities, G. R. King, Philadelphia Electric Co., the committee chairman, announced that progress has been made in the revision and amendment of present purging procedures.

The first half of the Association year was spent, he said, in preparing the preliminary draft of Purging Procedures for Liquefied Petroleum Gas Equipment, which was presented at the Spring Production and Chemical Conference. The committee desires to make several tests for inclusion in the final draft, one of which is the obtaining of data on purging an LPG storage tank with steam. The Committee and A. G. A. will be grateful, Mr. King added, if some company will make a tank available for such a test when opportunity permits.

In line with new developments in purging practices, a description was given and illustrated with slides, of equipment available commercially for supplying carbon dioxide and nitrogen in large volumes for purging. The inert is supplied in liquid form and is delivered in tank trucks of appropriate sizes, or tank cars direct to the purging site. The discussion did not include any economics of the use of such equipment because the economics will be different in each situation. An operator, knowing that the supply is available, Mr. King concluded, can determine the economics for his own particular application by consultation with the suppliers of the inerts.

Final event on the Section's program was the showing of a motion picture "The Pipe Line of Plenty," sponsored by Michigan Consolidated Gas Company and covering the supplying of Detroit with additional volumes of natural gas.

Convention primes industry

(Continued from page 8)

commercial cooking operation. "These tests," he continued, "have established beyond doubt the correct replacement factors to use in any comparison between gas and electricity." Other studies are in progress, he indicated, and A. G. A. has a director of commercial gas promotion and a specialist co-operating with manufacturers in a program designed to improve gas commercial cooking equipment.

Dr. Henry T. Heald, president, Illinois Institute of Technology, Chicago, speaking on "Training of Technical Manpower," called attention to the constant need for research by well-educated scientists and technologists whose "search into the frontiers of knowledge ultimately results in more commodities, better service, and greater comforts for our people."

Dr. Heald praised the gas industry as "one of the few that has recognized it must do something for itself" in research and education. He cited the record established by Institute of Gas Technology, which will soon move into a new \$600,000 building on the Illinois Tech campus, crediting IGT with responsibility for many recent advances in the production and distribution of manufactured and natural gas.

Through IGT's educational program, Dr. Heald continued, the industry is assured of a continuing supply of high quality personnel whose absorption into the industry will keep it alert and aggressive. "The opportunity of securing first-rate engineering graduates will be better in 1950 than it has been for several years," he concluded.

Adding weight to Dr. Heald's remarks, officers, students and graduate fellows at IGT were introduced to the convention delegates. A round of applause greeted the impressive body of students who will soon become part of the industry's operating personnel.

One of the highlights of the entire convention was the appearance of Emil Schram, president, New York Stock Exchange, who made a thoughtful and penetrating analysis of the gas industry's financial and economic situation. "Yours is one of the country's fastest growing industries," Mr. Schram said. "Construction expenditures this year will be in the neighborhood of \$1 billion, making the total in the three years of 1947-1949, inclusive, a round \$2,500,000,000. For the three years 1949-1952, inclusive, the sums of capital

needed will be greater, or approximately \$2,800,000,000."

"It is easy to be an optimist on the gas industry in the United States," Mr. Schram declared. "The technological advances and organizing abilities responsible for the industry's progress, plus successful financing involving vast sums of money, exemplify the type of cooperation that is characteristic of the American economy. It is cooperation by voluntary action of several factors working together rather than cooperation imposed from above."

Turning to financing problems of the industry, Mr. Schram laid the imbalance between debt and equity financing squarely at the door of taxes. "The soundest, most effective way to move more money into equities is by removing the obstructions from the federal government's tax structure," he said. "There is no dearth of savings and, now that fears of a tailspin in business are subsiding, I, for one, do not believe American investors are indefinitely committed to sheltered investments." (The text of Mr. Schram's address appears elsewhere in this issue of the MONTHLY.)

As the convention approached its close, L. J. Eck, of Minneapolis, chairman of the General Nominating Committee, presented recommendations for A. G. A. officers for the 1949-1950 term. Unanimously elected to guide the Association's affairs were: President—Hugh H. Cuthrell; Vice-Presidents—D. A. Hulcy and George F. Mitchell; Treasurer—Edward F. Barrett.

In the absence of Chairman Henry Steinmetz, Norman R. McKee, Los Angeles, delivered the report of the Time and Place Committee. This report, which was approved, called for the 1950 convention to be held the week of October 2 in Atlantic City, N. J.

As the result of a resolution presented by E. J. Boothby, chairman, Resolutions Committee, it was decided to hold the 1950 fall meeting of the A. G. A. Executive Board in Chicago. The action is a token of appreciation for the establishment of a gas industry exhibit at the Chicago Museum of Science and Industry by The Peoples Gas Light and Coke Company, which is celebrating its centennary at that time. A special committee of five distinguished leaders of the American gas industry will be appointed by the A. G. A. President to represent the Association at the dedication of the exhibit.

The convention closed on a strong note of accomplishment and inspiration for even greater achievement in 1950.

Convention quotes

(Continued from page 9)

the industry, both on the part of management and of those agencies of the local, state and federal governments which regulate the industry's affairs, so as to meet the challenge of "Our New Horizons."

W. T. BULLA, VICE-CHAIRMAN, A. G. A. MOBILE RADIO COMMITTEE: . . . (On mobile radio) In no other phase of industry activity is there so vital a need for complete and nationwide coordination.

JOHN H. WOLFE, CONSOLIDATED GAS ELECTRIC LIGHT AND POWER CO. OF BALTIMORE: . . . The discoveries of research are like new tools, tools which you have never seen before and which, upon seeing, you may wonder as

to their utility, but unless you study these tools, skill yourself in their use, they will be as useless as the well known cement bath sponge.

MRS. MYRNA JOHNSTON, BETTER HOMES AND GARDENS: . . . There is also news for home service in nutrition. Eat to live—eat to live ten or even 20 years longer is the new idea. Nutritionists are swinging the spotlight from youngster to oldster.

PHILIP E. EDDY, THE PEOPLES GAS LIGHT & COKE CO.: The why of good customer relations is the why of profit instead of loss, of understanding instead of friction, of contented employees instead of malcontents, of prestige instead of contempt, of the right to meet as we are meeting here in fellowship—to live in peace—to work in happiness!

New A.G.A. members

Individual members

V. P. Black, Perfex Corp., Milwaukee, Wisc.
E. E. Boegli, South Carolina Power Co., Charleston, S. C.
A. L. Bristow, Northern Natural Gas Co., Omaha, Neb.
Dudley B. W. Brown, Milwaukee Gas Light Co., Milwaukee, Wisc.
E. A. "Gene" Brown, Union Gas System, Inc., Independence, Kan.
Theodore L. Canfield, Consolidated Gas Utilities Corp., Lawton, Okla.
Kenneth C. Christensen, Pacific Gas & Electric Co., San Francisco, Calif.
Alec Crowell, Consultant, New Orleans, La.
Frederick W. Dadson, Servel, Inc., Whittier, Calif.
John H. Dennis, Long Island Lighting Co., Mineola, N. Y.
Daniel H. Dykins, The Kuljian Corp., Philadelphia, Pa.
Harold N. Fuller, Liquid Gas Service Co., Barstow, Calif.

Wm. H. D. Hinchman, The Hinchman Corp., Detroit, Mich.
Robert A. Huntington, Iowa Power & Light Co., Des Moines, Iowa
J. E. Logan, The Australian Gas Light Co., Sydney, Australia
Luis M. Lopez, Venezuelan Government, Maracaibo, Venezuela
Harold B. Martinson, Arthur Andersen & Co., Chicago, Ill.
Charles V. McCaffrey, Blackstone Valley Gas & Electric Co., Pawtucket, R. I.
Newell Miller, R. P. B. Corp., Los Angeles
Stephen N. Moore, Consolidated Edison Co. of N. Y., Inc., New York, N. Y.
Ernest M. Petersen, Northern Natural Gas Co., Omaha, Neb.
Nancy Reid, Ascot Gas Water Heaters Research Labs., Surrey, England
John F. Shea, City Gas Co. of Phillipsburg, Flemington, N. J.
Sol Smith, Consulting Engineer, Austin, Texas
Albert W. Tolman, Jr., Peat, Marwick, Mitchell & Co., Houston, Texas
P. R. Tyler, Jr., Grand Central Bldg., New York, N. Y.
C. Fred Westin, Public Service Electric & Gas Co., Newark, N. J.
Norman B. Whittier, Lowell Gas Co., Lowell

A. Windfeldt, Pennsylvania & Southern Gas Co., Westfield, N. J.
Louise M. Winslow, The East Ohio Gas Co., Cleveland, Ohio
Kurt H. Wolf, Manchester Gas Co., Manchester, New Hampshire

Manufacturer companies

Allen Mfg. Co., Inc., Nashville, Tenn.
(Neil H. Cargile, president)
The Enterprise Foundry Co., Ltd., Sackville, Canada
(D. S. Fisher, vice-president & general manager)
J. L. Gillen Co., Dowagiac, Mich.
(R. C. Champlin, vice-president & general manager)
Hays Manufacturing Co., Erie, Pa.
(Lester L. Buzzard, sales manager)
Heating Specialties, Inc., Baltimore, Md.
(F. M. Wilhelm, Jr., vice-president)
Holyoke Heater Corp. of Conn., Inc., Hartford, Conn.
(Joel Livingston, sales manager)
Quaker Manufacturing Co., Chicago, Ill.
(A. T. Atwill, president)
Riteway Burner & Mfg. Co., Toledo, Ohio
(H. L. Elkington, president)

Equity capital

(Continued from page 16)

call that the President, in his Mid-Year Economic Report, recommended the enactment of legislation to extend the maximum time limit now fixed by law on the maturity of loans to business made by the RFC to permit the corporation to extend financial assistance to business enterprises which are economically sound but which require long periods of time to develop and produce earnings that will permit amortization of debt. Pursuant to this recommendation, it is proposed in a bill now pending, to increase the limitation on all business loans, including loans to railroads and loans under the Housing Act, loans to the Federal National Mortgage Association, public-project and catastrophe loans, from \$2,500,000,000 to \$5,000,000,000. There are \$1,100,000,000 of loans made prior to June 30, 1947, which are excluded from the present limitation so that the bill would double the lending capacity of the corporation.

I want to center my remarks on the business loans and I prefer to deal with questions of principle, not particular loans. The development of business-lending activity of RFC, as pointed out by the Hoover Commission, shows a gradual relaxation of standards. Created

in January 1932, its first authority to make direct business loans was enacted into law in June 1934. Business loans were permitted to be made directly only if all of the seven conditions were met. These conditions related to the security for the loan, size, maturity and, among other things, provided the borrower must be established, solvent and must have been unable to obtain credit from ordinary sources at prevailing rates.

I do not intend to cover all details of the corporation's expansion, which began less than six months after the first authorization. The \$500,000 limitation was eliminated and the maturity limitation was extended to ten years, later to be removed entirely.

In the mid-thirties the economic machine was still stalled and there was some excuse for legislation of an emergency character. The emergency has become only a memory. Yet, in 1947 a change was made with respect to the requirement that credit not be available to RFC borrowers when it could be obtained from ordinary sources at prevailing rates. The corporation was empowered to make loans to any borrower who could not obtain credit from other sources on "reasonable terms," which is embodied in the present law. The present Act, in its preamble, directs the RFC "to encourage small business." The Hoo-

ver Commission paid tribute to the useful and necessary function of RFC in the days of the depression, yet recommended that the corporation be placed in liquidation at earliest convenient date.

I am fully aware of the plight of small and medium size business, but I do not believe their capital problem should be solved by a government corporation. More recently the defense of extending RFC's activities has shifted from a basis that relates to the needs of small and medium size business to a basis that attempts to justify the making of loans vaguely defined as in the national interest and for the purpose of maintaining employment in a locality threatened with unemployment by the impending failure of a business enterprise. The prospects of loans of this character led Senator J. W. Fulbright of Arkansas, a democrat and chairman of the Senate Subcommittee of the Committee on Banking and Currency, which held hearings on RFC a few months ago, to comment in evident alarm:

"To me it is completely wrong when we have a relatively high period of prosperity for you (RFC) to enter a specific position of preventing local failures and local unemployment, because the best time for the readjustment of a failing business is under those conditions. These people can get employment other places

but you keep these businesses alive until they get into a real depression, and then they have to fold if they are weak, which they probably were. Then you have added fuel to the fire.

"Here is a national agency set up by the Federal Government, financed by the taxpayers' money from all of the country. Now, to say that by public interest is meant a little community of three to four thousand people, there is simply no limit to their duty to interfere with what I call the normal function of a private enterprise system. Otherwise, you are going to be justified into going into every situation, which I think is close to being socialism, if you want to use that terrible word. I mean the government is taking over and boiling out and freezing the free play of a free-enterprise system."

I would not be misunderstood. For a long time I have been talking about a shortage of venture or ownership capital. The way to solve the problem is through changes in the federal tax structure, not through a government lending corporation. I have not commented on the Hoover Committee recommendation that the Federal Reserve Banks be authorized to guarantee loans to business enterprises made by financial institutions. I indorse this proposal. I indorse it for what it is worth as a constructive measure, but of limited value as a means of supplying enterprise funds. Borrowed funds are one thing, ownership capital another.

Remove obstructions

The soundest, most effective way to move more money into equities is by removing the obstructions from the federal government's tax structure. There is no dearth of savings and, now that fears of a tailspin in business are subsiding, I, for one, do not believe American investors are indefinitely committed to sheltered investments.

In reading the advance summary of the Association's report on the public utility industry's expansion program, I noted with great interest this observation: "While a fairly good demand for bonds existed in recent years, the market for equity securities has not been encouraging. The result was a substantial decline in percentage of new common stock issues in relation to new debt issues."

I think it was just a little over a year ago that the then chairman of the Securities and Exchange Commission, at the A. G. A. annual convention, also commented on the fact that the bulk of

new financing in the gas industry had been accomplished through the issuance of senior securities.

Your report goes on to say, "This lack of balance between debt and equity financing has caused considerable concern not only to management but also to regulatory authorities. It has been due partly to an apathy on the part of individual investors, induced partly by their impression that earnings are too low or too uncertain, and to limitations on the investment of institutional funds."

I would add emphatically that the fundamental cause of the imbalance between debt and equity financing is taxes. Your committee probably took it for granted that this is so fully understood that repetition is unnecessary. I should have liked to see taxes included whether their influence was discussed at length or not.

Continuing to make changes in interest rates on borrowed money or adding to the government's lending activities, or creating public authorities will never produce the results so desperately wanted. The way to release energy and inject a dynamic quality into investing is by the kind of alterations in the tax structure that were set out in a study, "Jobs and Taxes," which the Stock Exchange recently published.

I repeat what I said last June at the general management conference of American Management Association.

"Squeezed between institutional changes of a deep nature and a hostile tax structure, ownership savings urgently need realistic treatment. When farmers were injured by forces of a general character in relation to the conditions affecting the rest of the country, farm parity was devised to correct the situation; when legislation lagged behind economic forces and labor was at a disadvantage, labor was granted the equivalent of parity treatment.

"Ownership, which lies at the base of the whole economic structure, is threatened. The situation must be corrected. What I am striving for, in effect, is merely fair treatment for ownership in so far as the extraordinary fiscal situation will permit. Fortunately, strategic changes can be made that will help activate stagnant pools of existing funds and energize current savings. But these changes cannot wait. . . ."

Equity for equity capital is the slogan in this venture capital campaign. I ask that you join with me in the interest of the nation's continued well-being.



1949

NOVEMBER

- 7-11 •National Hotel Exposition, New York, N. Y. (A. G. A. will have combined exhibit)
- 10-11 •Mid-Southeastern Gas Association, The Sir Walter Raleigh, Raleigh, N. C.
- 21-23 •Wisconsin Utilities Association, annual meeting, Milwaukee, Wisc.
- 28-29 •National Personnel Conference of the Gas Industry, Netherland Plaza Hotel, Cincinnati, Ohio

1950

JANUARY

- 4-6 •A. G. A. Home Service Workshop, Palmer House, Chicago, Ill.

MARCH

- 23-24 •New England Gas Association, Hotel Statler, Boston, Mass.
- 27-29 •Southern Gas Association, Galveston, Texas

APRIL

- 3-5 •A. G. A. Distribution, Motor Vehicle & Corrosion Conference, Book Cadillac Hotel, Detroit, Mich.
- 4-6 •A. G. A. Sales Conference, Industrial & Commercial Gas Section, St. Louis, Mo.
- 10-12 •Mid-West Gas Association, Hotel Lowry, St. Paul, Minn.
- 11-13 •Southwestern Gas Measurement Short Course, University of Oklahoma, Norman, Okla.
- 17-19 •National Conference of Electric and Gas Utility Accountants, Brown Hotel, Louisville, Ky.
- 20-22 •Florida-Georgia Gas Association, annual business conference, Biltmore Hotel, Palm Beach, Fla.
- 28-29 •Indiana Gas Association, French Lick Springs Hotel, French Lick, Ind.

MAY

- 1-5 •A. G. A. Commercial Gas School, Hotel Gibson, Cincinnati, Ohio
- 8-9 •A. G. A. Natural Gas Department, Spring Meeting, Mayo Hotel, Tulsa, Okla.
- 16-18 •Pennsylvania Gas Association, Galen Hall, Wernersville, Pa.
- 22-24 •A. G. A. Production and Chemical Conference, Hotel New Yorker, N. Y.
- 23-26 •National Restaurant Association, Navy Pier, Chicago, Ill. (A. G. A. will exhibit)
- 28-30 •GAMA annual meeting, The Greenbrier, White Sulphur Springs, W. Va.

JUNE

- 19-24 •Canadian Gas Association, annual convention, Manoir Richelieu Hotel, Murray Bay, Province of Quebec, Canada

Personnel service

SERVICES OFFERED

Recent graduate (C.C.N.Y.) with M.S. in Chemical Engineering from University of Cincinnati, seeks opportunity for **technical career** in gas industry. Salary secondary to opportunity to gain practical experience in gas manufacture. Vicinity of New York preferred but not essential. 1622.

Chemical Engineer—Recent Graduate, Veteran, two years' experience Production Chemist; industrious and energetic, desires opportunity in production or control leading toward sales, but interested in any phase chemical engineering in or outside New York City. Married. (25). 1623.

Chemical Engineer—B.Ch.E., 1949, desires position in research. Courses included chemical processes, unit operations, and design. Have thorough background in theoretical chemistry including organic, physical, quantitative and qualitative. Veteran, married, will accept out-of-town position. 1624.

Engineer—Veteran, B.S., M.S. Natural Gas Pipe Line design—operation and construction. Preparation of designs, estimates of construction, and operation costs. Two years' experience top flight engineering firm, where now employed. Five years' industrial experience. New York metropolitan area. Will do some traveling. (30). 1625.

Aggressive agent seeks reputable manufacturer of mechanical equipment for buildings to represent in all or part of the Southwest. Experienced in sale of equipment requiring engineering and developing distribution through distributors, jobbers and contracting dealers. Wide acquaintance in Southwestern building and professional circles. Financially responsible. References above reproach. 1626.

Gas Engineer—Experienced in Industrial, Commercial, Domestic Sales, Service, Complaints, Main Extensions, Rate Development, Market Analysis, General Accounting, Auditing Systems. Excellent war record in industrial management and labor negotiation. Immediately available to strengthen management staff or direct commercial activities. Salary and location open. (45). 1627.

Gas Engineer—Graduate, long supervisory experience in all phases carburetted water gas plant erection, maintenance, and production. Preparation of all reports, payrolls, etc.; by-product coke plant experience. Familiar with industrial utilization of manufactured, natural and LP-gases. 1628.

Draftsman—Civil Engineering drafting. Patent drawings, topographic maps, statistical charts, rendering of industrial building designs. Two years' recent college training. Desires connection with large organization in or near New York City. 1630.

Manager—Engineer employed seeks wider responsibilities. Experience, training in operation six carburetted water gas properties. Construction propane-air plants, change-over from Manufactured Gas. Experience high and low pressure distribution, servicing, management,

sales, commercial activities, system planning, load forecasting. College graduate, married, 20 years in industry. Excellent references. (40). 1631.

Corrosion Engineer—B.S., technical education. 5 years' experience underground and underwater cathodic protection work, include pipe and cable line surveys of soil resistivity, galvanic or stray current, pipe or cable line potential, water resistivity and pH measurements; design of cathodic protection system based on test results. Married. (32). 1632.

Gas Engineer—Long experience construction, operation and maintenance of retorts, coke ovens, carburetted water gas sets, by-product recovery, purification, and some distribution. Understands utilization of natural, propane, High-Btu and catalytically cracked gases. Graduate. 1633.

20 years' in **transmission, distribution and utilization** of natural gas with small utility company. Broad experience including executive. Salary open. (43). 1634.

Mechanical Engineer. B.S.M.E. 1947. Six months' experience in carburetted water gas plant, two years' administrative engineering in power plant construction. Desires position in gas generation and distribution. Quick at learning new processes. Not afraid to get hands dirty. Military experience in handling men. Good future primary object. (27). 1635.

POSITIONS OPEN

Staff Accountant—By large, well established progressive corporation located in Kansas City, Missouri. Prefer applicants who have had executive and supervisory responsibilities and who have had experience in all phases of corporate accounting, and who are thoroughly familiar with federal income taxes. Public utility experience and knowledge of machine accounting methods desirable. Only answers giving complete information concerning qualifications, experience, education, references and salary expectations will be considered. 0560.

Accountant—Internal Auditor—Southern New England gas utility offers opportunity to experienced Public Utility Accountant to set up and operate an internal audit routine. No travel required. Must have demonstrated diplomacy and supervisory ability and be familiar with construction costs, property and plant accounting and inventories. 0561.

Accountant—with public utility operating experience for general supervision of accounting under direction of Treasurer. Must have good personality and administrative ability; broad knowledge of utility accounting; experience in design and installation of systems and procedures. Position offers opportunity. Applicant should give experience, education, age and salary expected. 0562.

Thoroughly experienced and capable **manager** for combination gas and electric property located in Southwest. Only men of proven ability with good records of accomplishment

need apply. Send complete resume, snapshot photograph, references, and statement of present and expected salary. 0563.

Engineer—Gas—Experienced in production processes, treatment and mixing of manufactured and natural gases and chemical research and development connected with improved utilization, such as catalytic cracking, etc. Executive position with commensurate salary in production engineering department of a large eastern gas manufacturing company. Applicants should be between 35 and 50 years of age, graduates of a recognized engineering school and have a professional engineer's license. Your reply giving age, education and work experience will be treated in complete confidence. 0564.

Eastern Utility converting to Natural Gas has an opening for **Sales Engineer** for the promotion of gas fuel in industrial plants. Must be familiar with the economies of Natural Gas as compared with competing fuels and qualified to recommend gas equipment for various industrial heating processes. Require at least five years' experience in this type of work. Please enclose recent snapshot and give age, education, experience, and salary desired. 0565.

Assistant to Planning Engineer—in high pressure gas transmission and distribution department of rapidly growing utility company on Eastern Coast. Permanent position with advancement for man with required knowledge. Applicant must be technical graduate with at least five years' gas system experience. Please reply in writing, giving all details of education, experience and salary expected. All replies will be considered confidential. 0566.

Newly formed gas company fifty miles north of New York City requires services of **Gas Engineer** to set up **Distribution** system, supervise construction and prepare rate and construction estimates, and to generally operate this company with approximately 4000 potential meters. State qualifications, age, salary expected. 0567.

Chief Engineer—Oil and Gas Fired Domestic Heating Equipment. Well established Mid-West Manufacturer needs engineer thoroughly experienced in both oil and gas equipment, capable of taking full charge of design, development, testing and obtaining of approvals of new models domestic oil and gas burners, furnaces, boilers, and water heaters; and of supervising assistant engineers. Inquiries will be kept confidential when requested. Our employees know of this opening. 0568.

Distribution Superintendent or Manager for growing company—construction or sales experience with ability to maintain good customer relations desirable. About 1,500 customers. Location New York State or New Jersey. 0569.

Sales Manager and Salesman for several gas properties, one recently converted to natural gas; no heating restrictions. Many new building developments. About 8,000 customers. Location New Jersey and New York. 0570.



John F. Mooney

died suddenly at his home in Orlando, Fla., on August 8, 1949.

Born in Highland Park, Ill., Mr. Mooney started his gas career with North Shore Gas Company of Waukegan.

In 1922 he was transferred to Great Falls Gas Company where he remained for three and one-half years, leaving to join Standard Gas Equipment Corporation for a short time, later joining A. L. Kiefer Co., and in 1939 returning to Standard Gas Equipment Corporation to represent them in Florida and Georgia.

Mr. Mooney made his headquarters in Orlando, where he built up an organization to represent various manufacturers in the gas industry. In 1943 he formed a partnership with Calvin E. Williams, formerly of Baltimore, Md., to cover the Southern territory for

the following firms: A. O. Smith Corp., Weiskittel Co., Ray-Glo, Inc., and Bowser Co., as well as for Standard Gas Equipment Corporation.

He was the originator of the "Friendship Room" which became a regular institution at the various Southern meetings of Southern Gas Association and Florida-Georgia Gas Meters Association. Mr. Mooney was also a Master in the Gild of Ancient Suppliers.

He is survived by his wife, Mrs. Alice G. Mooney, and one daughter, Mrs. Howard B. Lott, both of Orlando, Florida.

Associated Organizations

A.G.A. Advisory Council

WALTER C. BECKJORD....Cincinnati, Ohio
EVERETT J. BOOTHBY..Washington, D. C.
JAMES A. BROWN.....Jackson, Mich.
W. M. CHAMBERLAIN..Grand Rapids, Mich.
ARTHUR C. CHERRY.....Cincinnati, Ohio
LYMAN L. DYER.....Dallas, Texas
CARL EMMERLING.....Cleveland, Ohio
B. T. FRANCK.....Milwaukee, Wisc.
W. R. FRASER.....Detroit, Mich.
C. S. GOLDSMITH.....Brooklyn, N. Y.
H. E. HANDLEY.....Jackson, Mich.
R. H. HARGROVE.....Shreveport, La.
LYLE C. HARVEY.....Cleveland, Ohio
W. M. JACOBS.....Los Angeles, Calif.
L. E. KNOWLTON.....Providence, R. I.
H. N. MALLON.....Cleveland, Ohio
W. F. McCONNOR.....Pittsburgh, Pa.
NORTON McKEAN.....Albany, N. Y.
E. P. NOPPEL.....New York, N. Y.
R. L. O'BRIEN.....Detroit, Mich.
D. P. O'KEEFE.....Los Angeles, Calif.
LEON OURUSOFF.....Washington, D. C.
C. E. PAIGE.....Brooklyn, N. Y.
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